

APRIL 30, 1984

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COVER: A rapidly changing China prepares to welcome Reagan 24

Setting foot on Communist soil for the first time, the President will see a country very different from the drab and sullen nation visited by Nixon. Thanks to Deng Xiaoping's pragmatism, peasants watch color TV, women sport new fashions and foreign firms do business totaling billions of dollars. But there is opposition to the reforms, and the future remains uncertain.



NATION: The CIA's fall from grace on Capitol Hill 12

William Casey's imperious handling of the Nicaragua mining affair has poisoned his relations with Congress and damaged his agency's credibility. ▶ The Administration plans a get-tough approach to terrorism. ▶ A complicated voting system favors Mondale in Texas' High Noon caucuses. ▶ North Carolina's Helms



PRESS: America's ten best dailies show their strengths 58

After a decade that has been both the worst and best of times for American newspapers, TIME again selects and reviews the leaders and finds economic health, diversity and some sharp editorial improvement. ▶ As last week's Pulitzer Prize selections demonstrate, smaller papers can have a big community impact and a lively, feisty style all their own.

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World

Libya opens fire from its London embassy. ▶ Israel questions how two hijackers died. ▶ Victory for Commander Zero.

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Books

Canada is Mordecai Richler's odd and hilarious *Home Sweet Home*. ▶ A portrait of Africa in shades of gray.

50

Economy & Business

Mixed signals for the housing industry. ▶ Hewlett-Packard tries again. ▶ Mary Cunningham revises the record.

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Music

The Pretenders, a band that played fast and loose with fate, have beaten the odds and come back with a big hit and a hot tour.

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Medicine

Researchers believe they have found the virus that causes AIDS, the disease that has killed 1,758 Americans since 1981.

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Sport

For the Olympics, it may not be possible to tell the players without a court calendar. ▶ Britain's uproar is over tiny Zola Budd.

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Theater

On Broadway and off, three gifted playwrights offer works dealing variously with genius, menace and chicanery.

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Essay

Mail used to be delivered several times a day; now there's always a busy signal. Caustic reflections on how to get the message.

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Cover: Photograph by Owen Franken

A Letter from the Publisher

The preceding page strikes a colorful new note and ushers in yet another editorial advancement in TIME. What you see there is a different kind of contents page, one designed to introduce each week's features with fresh impact and attractiveness. Nonetheless, this table of contents is only the most observable sign of a major change in TIME's composition that begins this week: the capability of producing four-color photographs or illustrations on every page that deals with the news.

TIME began publishing four-color editorial pages in March 1947, but for almost the next half decade such pages appeared only three or four times a year. They were time-consuming and expensive to produce and were confined mainly to such decorative and non-deadline subjects as art and travel. Their quality, by today's standards, would be graded with a gentleman's C at best.

But times change, and so has TIME. Up-to-the-minute, tonally accurate, four-color* news photos depict remote jungle battlefields and earthquake epicenters, political campaigns in city streets and satellite repairs in outer space. Until now, however, no newsmagazine has been able to

*In case you have wondered: magenta, cyan (blue), yellow and black are the basic printing "colors" that are combined to produce almost all other hues, hence the term four-color. Metallic glosses, such as gold, silver and copper, are called fifth colors.



Hoglund and Drapkin organize TIME color pages

employ four-color illustration throughout its news pages. It was often necessary to give up color photography in one section in order to gain it in another, or to confine articles that needed color to limited sections of the magazine.

For TIME's editors, this advance will mean increased flexibility in organizing each week's magazine. Says Art Director Rudy Hoglund: "Under the old limitations we became very adept at working out alternative strategies: a striking splash of one color like a red or blue in a diagram, for example, on pages where we needed four-color but could not have it. Now we can go with our first choice of an illustration, whatever its nature." Says Picture Editor Arnold Drapkin, who was hired 33 years ago to help produce weekly color sections for TIME: "It is unbelievable to have a range of options that was only a dream when I arrived in 1951."

This year TIME will run more than 100 "bonus" color pages in order to handle 1984's extraordinary journalistic webwork of domestic politics, Olympic Games and international turmoil. The introduction of full four-color capability will enable us to present these events with even greater drama, clarity and splendor.

John A. Meyers

GM has an idea that may save your life. Or pay \$10,000.

Seat belts help save lives and reduce injuries.

Yet seat belt usage is only about 15 percent.

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This may help.
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new GM car and light truck delivered by a GM dealer in the United States comes with a one-year insurance certificate from MIC General Insurance Corporation, the insurance people from GM.

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Letters

Sex '80s-Style

To the Editors:

As a cautious middle-aged man, I have been patiently biding my time until the sexual revolution became so prevalent that I could join without embarrassment to myself or my family (SEXES, April 9). Shucks, now it is over. My predicament illustrates how "he who hesitates is lost."

Felix A. Gaudin
New Orleans

Freud warned that sexual reforms like those we have witnessed might make matters worse. In 1912 he foretold: "In times in which there were no difficulties standing in the way of sexual satisfaction, such as perhaps during the decline of ancient civilizations, love became worthless and life empty, and strong reaction-formations were required to restore the indispensable emotional value of love."

Lawrence Shornack
Greensboro, N.C.



In Eden, the site of the original revolution, Adam and Eve found it was the same old tale when they turned over a new leaf. Boring.

Ed Anthony
Naples, Fla.

Christianity has been teaching about sex, commitment and intimacy for centuries. I am glad an exhausted society has finally come to agree with the church.

(The Rev.) Donald F. DeGroot
Hackensack, N.J.

I am a 24-year-old male virgin and proud of it. The catchword for the '80s may be intimacy, but I wonder what ever happened to good old-fashioned love and sacrifice. We should concentrate on loving one another without attaching carnality to every relationship.

Eric E. Erdman
Havertown, Pa.

So the baby boomers have rediscovered the traditional values of fidelity, obli-



Fair Payment: a system to bring relief from rising hospital costs.

Hospital costs continue to go up far faster than the cost of living. But there is a way to contain these costs. It's called the "Fair Payment" system.

"Fair Payment" is a prospective payment system under which all payers, including the government, agree to pay fair prices—set in advance—for the same services.

Such a system encourages hospitals to hold their costs down. And it helps to protect their financial well-being.

What's more, it will help to end "cost shifting," a practice that occurs when the federal government doesn't pay the full cost of Medicare and Medicaid services. What hospitals can't collect from Uncle Sam they shift to

private patients, inflating everyone else's costs.

"Fair Payment" is already working in some states. In Maryland, for example, the rate of increase in hospital costs per patient has been consistently lower than the national average, and high medical standards have been maintained.

Shouldn't "Fair Payment" be working in your state?

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On March 27, we announced our entry into the computer business.

In fact, we've been involved in computer technology for over 40 years. Many of the industry's basic inventions were developed by AT&T Bell Laboratories, from the transistor to the UNIX™ operating system, the "brain" behind many of today's most sophisticated computers. We've been making computers for our own use for years. But it wasn't until the formation of the new AT&T that we could market computers broadly.

Our approach.

We bring more than just another computer to market.

We bring precisely the communications and networking know-how that the industry's next great growth stage depends on.

Business people today want computers that can talk to each other. They want computers that can serve more than one workstation at a time to lower the cost per user. And they want a lot more reliability than they're getting.

AT&T Computers are built from the molecules up to *share* processing power and to communicate swiftly and naturally.

And AT&T Computers set a new standard in reliability. Because they were designed for the most demanding business application—telecommunications. Each of the thousands of AT&T Computers in

the nationwide telephone network handles millions of real-time transactions every day with an average of less than 10 minutes downtime a year.

Our products.

Our entry into the field is not a single computer. It is a *family* of computers. The broadest first-day offering in the industry's history. It is a fully integrated line of multi-user, multi-tasking computers. Each is designed to take full advantage of UNIX System V. That means computer users can mix and match AT&T Computers with hardware or software from a variety of sources. So they can take advantage of this year's innovation without having to abandon last year's.

Our computers range from desk-top systems serving up to 18 users to very large systems serving over 150 users. There's also a high-speed local network to tie them all together. Plus a *PC Interface* that allows personal computers (which used to operate in isolation) to communicate with each other and with AT&T Computers.

Initially, we're making our computers available to resellers and sophisticated data users who can develop applications that meet a broad range of needs. Soon, we'll offer our own applications for all kinds of businesses.

This is just the beginning. You'll be hearing more from us soon.



LEGAL NOTICE

TO ALL PERSONS WHO SERVED IN OR NEAR VIETNAM AS MEMBERS OF THE ARMED FORCES OF THE UNITED STATES, AUSTRALIA AND NEW ZEALAND FROM 1961-1972

If you or anyone in your family can claim injury, illness, disease, death or birth defect as a result of exposure to "Agent Orange" or any other herbicide while assigned in or near Vietnam at any time from 1961 to 1972, you are a member of a class in an action brought on your behalf in the Eastern District Court for the Eastern District of New York unless you take steps to exclude yourself from the class. The class is limited to those who were injured by exposure to "Agent Orange" or any other herbicide while serving in the armed forces in or near Vietnam at any time during 1961-1972. The class also includes members of families who claim derivative injuries such as those to spouses and children.

The court expresses no opinion as to the merit or lack of merit of the lawsuit.

For details about your rights in this "Agent Orange" class action lawsuit, call 1-800-645-1355 if you are outside of New York State, or call 1-900-832-1303 if you are within New York State, or write Clerk of the Court, P.O. Box 887, Smithtown, New York 11787.

Robert C. Heinemann
Clerk,
United States
District Court
for the Eastern
District of
New York

DATED: Brooklyn, New York
January 12, 1984

Letters

gation and marriage. In the meantime, those of us who grew up in the '50s are left to deal with the broken marriages and lives that resulted when the commitment of a long-term marriage did not measure up to the promises of the Me generation.

Ruth Litke
St. Cloud, Minn.

I am dismayed to learn that the revolution is over. Having missed it, I would be most grateful if you would announce a new one in the near future.

Bruce R. Vogel
San Mateo, Calif.

Sex causes more disappointment than glorious realization. Sex and religion are burdens to mankind because of their inability to fulfill their enticing promises.

Howard W. Klippert
East Aurora, N.Y.

A revolution need not be ongoing to have effected change. What we considered yesterday to be outrageous behavior is no longer criticized or even noticed. Indeed, we have embraced the revolution as everyday life.

Steven J. Mongin
Green Bay, Wis.

I can tell you when the sexual revolution began: Oct. 29, 1960, at 4:20 p.m.—20 minutes after I got married!

Jim Greene
Whitestone, N.Y.

Capital Problem

Anyone who loves both Israel and America should consider the consequences of moving the U.S. embassy from Tel Aviv to Jerusalem at this time [NATION, April 9]. This symbolic act would only serve to provoke P.L.O. terrorism against Americans who live, work or travel in Muslim countries.

Bernard L. Neville
Hattiesburg, Miss.

As an American Jew, I am offended by the patronizing behavior of both Gary Hart and Walter Mondale concerning the location of the U.S. embassy in Israel. Each is trying to prove that he is a better friend to Israel. Hart and Mondale have the mistaken notion that Jews are interested only in this one issue.

Martin Schlank
Aberdeen, N.J.

It is common knowledge that the U.S. supports Israel. So why should this country engage in a largely symbolic move that will re-emphasize a well-known fact and, in the process, antagonize Israel's Arab neighbors? It is time for the U.S. to become more sensitive to the reactions of the Arab world and to realize that Israel does not exist in a vacuum.

Kathleen Dolan
Lynbrook, N.Y.

Salvadorans at the Polls

In the past four years, the Salvadoran government has slaughtered close to 40,000 of its citizens. Last month that same government held an election [WORLD, April 9] in which the citizens were required to vote, under threat of fine, arrest or death. TIME said this spectacle "seemed to be a moment of democratic triumph, but only a moment." I thought it was a farce.

Timothy M. Hughes
Boston

Salvadorans joined "long, serpentine polling lines" not to show their defiance of the leftist Liberation Front but because they were afraid of official repression. In El Salvador it is illegal not to participate in the election. The Defense Minister declared that not voting was an act of treason, and in El Salvador you get shot for treason. Under such conditions, anyone would be eager to vote.

Alan A. Gonzalez
Raleigh, N.C.

Nicaraguan Mata Hari

Nora Astorga, Nicaragua's nominee for Ambassador to the U.S. [WORLD, April 2], may indeed be a dreadful dragon lady. On the other hand, having made the decision that war was necessary to eliminate a greater evil in her country, Astorga may have demonstrated considerable moral and patriotic responsibility by luring General Reinaldo Pérez-Vega to her room and then killing him.

Mary Lee Johns
Austin

I am the widow of General Reinaldo Pérez-Vega. My husband's throat was not slashed as you say. He was tortured for hours until he died, an act in which Astorga was an active participant. She is a murderer. Her nomination as the ambassador from Nicaragua is evidence of the type of leaders that form the Communist Sandinista government.

Maria L. Pérez-Vega

I am puzzled that you should question whether the U.S. Government will accept "a onetime terrorist" as ambassador from Nicaragua. The Reagan Administration employs terrorists who regularly cross from Honduras to Nicaragua to try their hand at terrorism. Why should we object to having a former practitioner of the art as Nicaragua's ambassador?

Philip Russell
Austin

Cholesterol Controversy

Your statement that cholesterol is "proved deadly" [MEDICINE, March 26] appears to be largely based on the National Heart, Lung and Blood Institute study. This was not a dietary study. It tested only

the effect of a cholesterol-lowering drug on a small group of people with genetically elevated cholesterol levels, not the effect of alteration of the diet on the healthy majority of the population. Dr. Ahrens of Rockefeller University states, "Since this was basically a drug study, we can conclude nothing about diet."

The article is misleading in its implication that everybody should follow strict dietary regimens necessary for those with abnormally high blood-cholesterol levels. Your headline, "Hold the Eggs and Butter," carries unjustified nutritional implications. You even seem to question the healthfulness of a major group of highly nutritious foodstuffs, including meat, eggs, dairy products and seafoods. These traditional foods are highly valuable in the diet because they are rich in a large number of essential nutrients: vitamins, minerals and protein of high nutritional value. The reader of your article is likely to conclude that these foods should be severely restricted in the diet of all people. Such implications are counter to a sound, balanced application of nutritional knowledge.

Henry J. Heinz II, Chairman
H.J. Heinz Co.
Pittsburgh

Death Wish

Perhaps Colorado Governor Richard Lamm did not phrase his statement very tactfully when he said, "Elderly people

who are terminally ill have a duty to die" [MEDICINE, April 9]. For his critics, however, I have this question: Do the terminally ill of any age benefit from having the agony of death prolonged indefinitely by the use of artificial means?

Elizabeth Lipsey
Huntsville, Ala.

Progress in scientific advances has allowed physicians to preserve life no matter what the quality of that life will be. Even when a patient and family want to avoid "medical heroics," an attorney is often waiting in the wings to make sure they do otherwise.

David Lubin, M.D.
Tampa

Governor Lamm is being unjustly branded for downgrading the elderly. Instead, he should be applauded for trying to bring some dignity to human life.

Kona R. Sudhakar, M.D.
Upland, Calif.

The trouble with confusing the right to die with the duty to die, as Governor Lamm has done, is that government officials might conclude that they have a responsibility to see that the individual's duty is discharged. The voters of Colorado should exercise their right to replace a politician who exhibits such insensitivity.

Levis Kapner
West Palm Beach, Fla.

When North Carolina Senator Jesse Helms told a right-to-life rally that legalization of abortion would lead to doing away with the handicapped, the elderly and the ill, he was ridiculed. In the light of Governor Lamm's recent remarks, I wonder if we should continue to reject the warnings of Senator Helms and the right-to-life movement.

David A. Krouse
Wallington, Pa.

Modern medicine does not keep "frail and withered leaves on the tree"; it keeps people alive. The treacherous euphemism "death with dignity" should not blind us to the distinction between the right to die, which should be everyone's regardless of age, and the duty to die, which should be required of no one.

Diana F. Ackerman
Providence

Colts' Bolt

The Baltimore Colts are gone (SPORT, April 9). We now have the Indianapolis Snakers.

Jim Dungan
State College, Pa.

LETTERS TO THE EDITOR should be addressed to TIME, Time & Life Building, Rockefeller Center, New York, N.Y. 10020, and should include the writer's full name, address and home telephone. Letters may be edited for purposes of clarity or space.

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A copy of the most recent annual report of the Juvenile Diabetes Foundation (JDF) International, filed with the Secretary of State, may be obtained by writing: Juvenile Diabetes Foundation International, 23 East 26th St., New York, N.Y. 10010 or Secretary of State, State of New York, 1621 Washington Ave., Albany, N.Y. 12231

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TIME/APRIL 30, 1984

No Place Left to Hide?

In rebuilding the CIA, Casey has made missteps and infuriated Congress



By most of the usual tests, William J. Casey has amply fulfilled his 1981 pledge to lead the Central Intelligence Agency to "good new days." The decimated spy agency he took over as director at the start of Reagan's term has been fattened by budget increases that not even the Pentagon can match in percentage terms. Staff has multiplied, intelligence collection and analysis have vastly speeded up. Morale has soared as public animosity engendered by the assassination plots and other "dirty tricks" of the 1960s and '70s has faded. The agency is again recruiting on college campuses, where its initials were once regarded as an anagram of evil.

But by another test the agency at times seems to be heading straight back to the bad old days. Once more, relations between the CIA and Congress are being envenomed by mutual distrust and anger. Prominent members of both parties charge that Casey not only broke international law by having the CIA mine three Nicaraguan harbors, but flouted the agency's obligation to keep the intelligence committees of Congress "fully and currently" informed of what it was doing. For his part, Casey, in the words of one of his Administration colleagues, "views Con-

gress as a bunch of meddlers, messing around in his business."

Vermont Democrat Patrick Leahy, a member of the Senate Intelligence Committee, warns that support for the CIA is eroding because "many Republicans and Democrats in Congress are saying that they consider Mr. Casey's credibility to be at an alltime low." Storms Minnesota Republican Senator David Durenberger: "There is no use in our meeting with Bill Casey. None of us believe him. The cavalier, almost arrogant fashion in which he has treated us as individuals has turned the whole committee against him." To dramatize his protest that Casey kept the group in the dark about the Nicaragua mining, New York Democrat Daniel Patrick Moynihan vows to resign as vice chairman of the Senate Intelligence Committee.

Some Administration officials are concerned that Casey will never be able to restore enough trust in Congress to win continued funding for the covert operations that are the CIA director's special pride. Indeed, there are whispers around the White House from pragmatists as well as a few hard-liners that the best service Casey could now perform for the CIA would be to quit.

There is little chance that Casey or his boss, Ronald Reagan, will heed or even hear such advice. Casey, who managed Reagan's 1980 campaign, is closer to Reagan than perhaps any previous CIA director has been to his President.

He has become one of the driving forces in setting—as well as carrying out—U.S. policy toward Nicaragua. The Administration asserts that its aim is to harass the Sandinista government until it stops trying to foment Communist revolution throughout Central America. The main instrument for achieving this is CIA training, arming and financing of the *contra* guerrillas who are waging war against the Sandinistas.

Many lawmakers have long been afraid that the CIA backing of the *contras* would drag the U.S. into a war against Nicaragua, and Casey's briefings did not always reassure them. One Senator told TIME last week that the CIA director once went so far as to present a plan for a possible eventual partition of Nicaragua between a Sandinista regime in the west and a *contra*-ruled state in the east. Though the congressional committees cannot veto any CIA activities outright, they can, in Moynihan's words, "push and pull" the agency away from dubious schemes (as

happened with the proposal to partition Nicaragua). Should that fail, the committees can secretly write into appropriations bills provisions for denying funds.

Until the mining episode, most legislators felt, Casey had been keeping the committees adequately informed. Nor is the CIA director solely to blame for the gaps that have since appeared in the legislators' knowledge. Several Senators on the Intelligence Committee confess they were remiss in not insisting on a briefing on CIA activities in Nicaragua early this year, and for failing to question Casey on references he made to the mining when he did meet with them twice in March. (The House Intelligence Committee was briefed on Jan. 31.) Still, Moynihan and others contend that Casey, at minimum, did not fulfill the command of the 1980 law that he apprise the committees of even "any significant anticipated intelligence activity." The mining had begun about a month before the House Intelligence Committee briefing. Indeed, raids on Puerto Sandino last Sept. 8 and on the oil-storage tanks at Corinto on Oct. 10 were carried out, as was the later mining of the same ports, by Latin American commandos recruited and trained by the CIA and dispatched aboard speedboats from a CIA mother ship cruising off Nicaragua's Pacific coast. Not until March 30, in a letter to the Senate Intelligence Committee staff that congressional sources disclosed last week, did the CIA confirm, in its inimitable bureaucratic jargon, that the raids were carried out by "unilaterally controlled latino assets."

The Senate Intelligence Committee has called a meeting for Thursday at which, Moynihan pledges, Casey will be asked "tough questions" about whatever operations the CIA may be conducting or planning in Nicaragua. One idea being floated by some Senate Intelligence Committee staffers is to require the CIA to certify weekly that it is not supporting any *contra* activities that have not been disclosed to Congress.

Any new restrictions would break a string of successes in expanding and revitalizing the CIA that Casey's bitterest critics admit has been highly impressive. During the 1970s, revulsion over some of the agency's early operations prompted cuts of 40% in the agency's budget and 50% in its staff. At the end of the Carter Administration, policymakers were receiving intelligence estimates at the lethargic rate of one a month.

Casey came to the agency with top credentials. He



The imperious director: defiant of Capitol Hill

learned intelligence by directing operations in Nazi-occupied Europe for the wartime Office of Strategic Services. During the Nixon and Ford Administrations, he served in a variety of economic posts. In his first three years as CIA director, he wangled budget increases of 20% or more out of Congress each year. (The agency's figures are secret, but a reliable estimate of its expenditures is \$1.5 billion for the current fiscal year.) That has made possi-

ble a substantial increase in the number of CIA employees, to a current total of 18,000. One sign of the CIA's increased prestige: 250,000 Americans answered help-wanted ads the agency ran last year. The CIA selected 10,000 for serious screening and eventually hired 1,400. Production of national intelligence estimates quintupled to 60 last year, and by common consent Casey has improved their quality too. Among other things, he has reorganized the agency's intelligence analysts, once grouped by specialty, along regional lines. Economists and political specialists, for example, now collaborate in a single report on a specific area. Casey's policy views are vehemently anti-Communist, a factor that insiders say has also raised agency morale. But by all accounts Casey has kept his advocacy separate from the scrupulously straight analyses he presents to his Administration colleagues.

There are some flaws in this record. What the CIA calls "human intelligence" has not yet recovered from the savage staff cuts carried out during the Carter Administration by Casey's predecessor, Stansfield Turner, who preferred to collect intelligence by electronic means. Casey did not have a single agent on Grenada until a few days before the American invasion last October, and could not provide an accurate estimate of the number of Cubans on the island. Casey takes special joy in having revived covert operations. He is said to have made several trips in unmarked planes to Honduras to check on the progress of *contra* training there. Says one associate: "He's happy as a clam when it comes to covert operations."

When it comes to dealing with Congress, however, he would prefer to be just a clam. Right at the start, the Senate Intelligence Committee censured Casey, a lawyer and venture capitalist in private life, for failing to disclose during his confirmation hearings more than \$250,000 in investment assets and nearly \$500,000 in personal liabilities. Questions about his finances persist to this day: the Internal Revenue Service is scrutinizing his involvement in a tax-shelter scheme.

The Senate investigation left a permanent legacy of bitterness. Some Senators felt that Casey had misled them about his finances, and looked with increased suspicion on his running of covert operations. Casey felt that some lawmakers were conducting a vendetta against him and was strengthened in his natural tendency to tell them no more than the law



Democrat Moynihan: appalled



Republican Darenberger: frustrated



Ravaged oil depot at Corinto: a CIA raid by "unilaterally controlled" latinos

Nation

Getting Tough on Terrorism

Washington weighs pre-emptive acts as well as reprisals

requires. Says one official who worked closely with Casey during that period: "Casey gets mad, and he also tries to get even. The attacks from the Hill just compounded an existing disdain for the legislative branch of Government."

Casey's counterparts in other democracies have little need to deal with their legislatures at all. The heads of the British agencies, MI5 and MI6, report to an executive committee chaired by the Prime Minister, who does not officially tell Parliament so much as their names.

French law gives the National Assembly the right to ask questions about the operations of the intelligence services, but the government's usual, and accepted, answer is a blank "secret de la defense." The West German Bundestag does have a watchdog committee for that nation's equivalent of the CIA. But the committee's eight members are sworn to deepest secrecy. The Bundestag has declared members of the antinuclear Green Party ineligible to serve on the committee because they would not take the pledge.

Under the American system of legislative oversight, there is a built-in conflict between the lawmakers' need to assure themselves that the agency is responsive to democratic control and the CIA director's necessity to keep delicate operations secret as long as possible. Intelligence Committee members argue, with justification, that they can keep a secret when performing their legitimate oversight functions: because of the very nature of such "covert" activities as mining Nicaraguan harbors and blowing up oil tanks, knowledge about the CIA's role in these operations is likely to become public, but generally not through Intelligence Committee leaks. But in turn, the CIA is justified in resisting congressional temptation to oversupervise the agency's programs by becoming involved in the logistical details of specific operations.

Part of the problem, some legislators concede, is that the Intelligence Committees are too large, and their members (16 House, 17 Senate) too busy with other assignments, to handle their important oversight role in a judicious manner. Says Senator Leahy: "We have got to find a way for Senators to be far better briefed on covert activity. It may require a couple of Democrats and a couple of Republicans who will meet several hours each week and then give a broad report to the full committee."

This alone, however, will not be enough to handle the far more serious underlying problem. No oversight arrangement will work, nor will any program to rebuild America's covert capabilities work, until a way can be found to dissipate the corrosive mistrust and suspicion that has built up between Casey's CIA and Congress.

—By George J. Church
Reported by Ross H. Mauro and Christopher Redman/Washington, with other bureaus

The latest buzzword in security circles is "pro-active," a bit of jargon coined from a term with the opposite meaning, "reactive." It is used to describe a major change in Washington's approach to the scourge of terrorism directed at U.S. targets. Rather than react after an attack, the U.S. plans to adopt a much more aggressive policy that would establish in advance the likelihood of reprisals and would even permit pre-emptive strikes against suspected terrorists. Said Secretary of State George Shultz at the White House last week: "I don't think that purely defensive postures

used four nations of practicing it: Libya, Iran, Syria and North Korea. He thinks the U.S. and its allies should regard such conduct as "a form of warfare" and respond accordingly. The State Department recently warned six East bloc nations that they cannot hope for improved relations with the U.S. if they continue to provide support to "international" terrorist groups.

In collecting ideas, the Secretary sought advice inside and outside the Government, sometimes at meetings that resembled bull sessions. At one Saturday



FBI agents and Dallas police enact a mock hostage scene at an antiterrorism training exercise

The essential question: Are you prepared to use force? The answer: Yes, with caution.

are adequate. We must think through other aspects of this problem, and we're doing that."

Within weeks of the bombing of U.S. Marine headquarters in Beirut last October with the loss of 241 American lives, a shaken Reagan ordered an interagency task force to study ways of preventing terrorism. As a result of this intensive review, Reagan on April 3 signed the still secret National Security Decision Directive 138. It ordered 26 federal agencies, ranging from the FBI and CIA to the Coast Guard, to draft specific proposals for enforcing an antiterrorism policy. No options were specifically excluded, but the Administration has already decided not to seek any change in the 1978 Executive Order prohibiting Government complicity in assassinations.

Reagan plans to submit to Congress a package of legislative proposals. One would create a "blab" fund offering rewards of as much as \$500,000 to informers who finger conspiring terrorists. Shultz is especially incensed at what he calls "state-sponsored terrorism," and has ac-

steak-and-eggs breakfast at the State Department last month. Shultz, professorially dressed in a tweed jacket and Argyle sweater, Defense Secretary Caspar Weinberger and other top officials heard from Brian Jenkins of the California-based Rand Corp., who is an authority on worldwide terrorism. Jenkins stressed that officials must face the essential question: Are you prepared to use force?

For Shultz and Reagan, the answer is yes, but with great caution. For example, the U.S. declined to join France, which also suffered casualties in the Beirut massacre, in a retaliatory raid against the truck bombers' suspected headquarters because Washington did not feel sufficiently confident in its intelligence. Furthermore, the celebrated failure of an antiterrorist mission could cost the U.S. dearly in prestige. Yet, with random violence increasing, the U.S., as a senior State Department official put it, is determined to send an unmistakable message: "We don't allow terrorism to go unpunished."

—By William R. Doerner
Reported by Douglas Brew and Johanna McGeary/Washington



Gary Hart gratefully accepts a bouquet from the Tyler Junior College Apache Belles

Ogling the Ayes of Texas

With 169 delegates at stake, the Democrats brace for High Noon



Few things in this world stir Texans more than a brawl, whether between high school football teams, gamecocks, refinery workers or Democrats.

Texas Democrats have more warring factions—from Big Oil to Boll Weevil to Prairie Populist—than just about any other political party west of Italy's Christian Democrats. Lone Star politicians relish their infighting so much that when State Representative Ben ("Jumbo") Atwell was asked a few years back if he was thinking of leaving the legislature, he responded, "What? And give up show biz?"

Riding into this prickly caucus patch are Presidential Contenders Walter Mondale, Gary Hart and Jesse Jackson, for whom the May 5 caucuses loom as a High Noon. Actually, a more apt Texas metaphor for Hart might be the Alamo. Reeling from his defeats in Illinois, New York, Pennsylvania and, last week, Missouri, he vowed to start winning again in the West. A bad loss in the Lone Star State could start the vultures circling. For Jackson, the state's large Hispanic vote tests his ability to make his "rainbow coalition" a bit less monochromatic than it has been so far. For Walter Mondale, Texas—with 169 delegates at stake—offers a chance to widen his delegate lead over Hart (1,114 to 590, with 1,967 needed to clinch the nomination) and to prove his electability outside of Big Labor's shadow.

Appearances do not favor Mondale. A buttoned-up Norwegian who drinks diluted Scotch, and only sparingly at that, he is no cowboy. Lanky Coloradan Hart comes a lot

closer, at least to the urban variety. He wears cowhide boots and an oversize brass belt buckle, and is the only Democrat who can wear a ten-gallon hat and look as if he means it. Nor does the territory offer fertile turf for the former Vice President. Texas is a right-to-work state where unions are about as popular as taxes and Big Government is loved even less than the Washington Redskins. Texas' anti-Big Labor, pro-energy-development stands should play better than Mondale's traditional New Deal politics.

Yet if Hart beats Mondale, it will be a major upset. The main reason: Texas' arcane caucus system. To qualify, voters must first cast ballots in the congressional and local primaries during the day, then return to the polls in the evening to choose presidential candidates. It is a system that favors organizations with the proven ability to turn out party regulars. In other words, the Mondale machine.

"They're organized," admits Hart's Southwestern coordinator, John Pouland. "And they'll have the opportunity to be

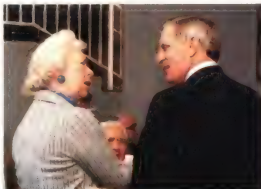
disproportionately represented in the caucuses." Complains Hart: "The caucuses are stacked against us." In 1981 and 1982, before Hart even announced, Mondale had visited Texas 14 times, methodically lining up the endorsements of almost every important party leader.

Mondale's most influential backer may be San Antonio Mayor Henry Cisneros, Texas' *numero uno* Hispanic leader. Cisneros says that Mondale's "personal relationships" within the state's Mexican-American community, many dating back almost two decades, "engender a deep-seated loyalty that is hard to counter in a caucus environment." Because of rigorous voter-registration efforts, there may soon be almost 1 million Hispanics on the rolls, twice as many as in 1976. They will make up about a fifth of the voter turnout, and Mondale could win as many as three out of four. Jackson is expected to carry the black vote, which is roughly half the size of the Hispanic, but little beyond that. Says Hispanic Leader Ruben Bonilla: "Hispanics are pragmatic. They are going to vote not for hope, but for the real potential of the presidential candidate. Jackson's candidacy is not a pragmatic one."

In Texas, where Government bailouts are unpopular, Mondale will downplay the selling points he used so well in the East, like his helping to rescue Chrysler from bankruptcy and advocating trade barriers to protect industry. Instead, say his aides, Mondale will preach "prairie populism" and stress that he worries about "real people, real jobs and real pocketbooks." He will particularly target large areas of poverty like the Rio Grande Valley, where unemployment is 23%.

Among more affluent voters, issues that cut against Hart in the East should help him in Texas, particularly his vote against the windfall-profits tax on domestic oil and his proposal of a \$10-per-bbl. fee on imported oil. Furthermore, Hart has inherited many of John Glenn's deep-pocketed donors. Oil Baron James Calaway, who helped raise \$1 million for Glenn, raised \$125,000 for Hart in a single evening this month. In the Texas caucuses, however, organization and party loyalty count for more than money. Hart's Yuppies (young upwardly mobile professionals) are likely to feel there are more enticing things to do on a Saturday night than go to a caucus in a sweaty meeting hall.

Hart is aiming for "young Democratic activists," says Coordinator Pouland. Working with Dallas Congressman Martin Frost, Hart's state chairman, Pouland has helped place operatives in the half of the state's 6,600 precincts that contains 90% of the vote. They are concentrating especially on sprawling West Texas, where, says Pouland, "anti-Mondale feeling is pretty strong." Hart wants to revive his New Hampshire touch by warming up to voters through small, personal meetings, a difficult task for a shy,



Walter Mondale chats with a senior citizen in Missouri

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North Carolina's Costly Catfight

The Helms-Hunt Senate race could be the most expensive ever

cool man, and by stressing his independence from special interests. At a barbecue last week in Amarillo, Hart did his best, enthusiastically shaking hands with an 8-ft. cowboy on stilts and boldly declaring, "America needs a President who has the courage and the leadership to say no to powerful lobbies that want bailouts... to powerful unions that want legislation that will shut off trade." Later, in Lubbock, he proclaimed, "We must have the courage to take change by the throat."

That kind of courage can raise a few hackles, as Hart discovered earlier in the week, outside St. Louis. At a meeting with union leaders from a McDonnell Douglas Corp. plant, he discussed his opposition to building more F-15 and F/A-18 fighters, arguing that the planes are too expensive and not maneuverable enough. But they provide nearly 14,000 jobs to the workers of McDonnell Douglas, a fact that the labor leaders there vigorously pointed out to him. Last week Mondale beat Hart by an overwhelming 60% to 20% in the Missouri caucuses. As he did in New York, Jackson almost caught Hart, winning 16% of the voters, many of whom jammed inner-city polling places in St. Louis and Kansas City.

Despite his long string of defeats (broken only by a narrow, 45% to 40%, victory in Arizona last week), Hart continues to argue that he is more electable against Ronald Reagan in November. A mid-March Gallup poll backed up his claim, showing that Hart would beat Reagan, 49% to 47%, while Mondale would lose, 52% to 44%. But last week a new Gallup poll showed Hart's edge diminishing: Mondale continued to trail by the same distance (52 to 44), but Hart was now also behind Reagan (49 to 46).

Hart's claim that he is more electable is based on his appeal to independents. Mondale partisans counter that their man would be a stronger nominee because he could better turn out the core Democratic constituencies—labor, minorities, the elderly and the poor. But Mondale is clearly concerned that he must reach out beyond these loyal supporters to beat Reagan.

In a major speech last week in Cincinnati, Mondale began sounding less like Hubert Humphrey and more like, well, Gary Hart. With stirring Kennedyesque rhetoric, Mondale intoned, "We must make history, not just watch it. We must invent the future, not just accept it." In the speech he referred to the future, a patented Hart byword, a total of 15 times.

But the Mondale camp is not yet writing Hart off. The nightmare of New Hampshire is still too vivid. "Has the race refocused back on Mondale as an issue?" worries Deputy Campaign Manager Paul Tully. "That's the danger." Texas voters are notoriously ornery, and when it comes to facing a fiercely independent electorate, being the favored front runner has not proved much of an advantage this year.

—By Evan Thomas, Reported by Sam Ables with Mondale and David S. Jackson/Houston

People tend either to love or to hate Jesse Helms. Across the nation there are those who see the ultraconservative Republican as mean-spirited and sanctimonious. But back home in North Carolina, Helms is generally beloved as an outspoken champion of patriotism and old-fashioned social mores. The dilemma for the state's voters is that they also admire James Hunt, their two-term Democratic Governor, who is much less rigid in ideology and far more practical in his politics. Now North Carolinians must choose be-

between the two as Hunt challenges Helms for his Senate seat.

In one sense, the head-on collision between the state's two most powerful politicians is a clash of the New South vs. the Old. Hunt, 46, is a consensus seeker and problem solver. Though he has little flair for oratory and not much of a sense of humor, his following ranges from impoverished blacks to progressive educators and white businessmen struggling for economic growth. Even Republicans concede that Hunt has run the state well, attracting \$13 billion in new business investment, adding 207,000 new jobs, improving roads and schools.



Helms attacking in Raleigh last week

Said a Hunt supporter: "We knew it would be hateful and mean and expensive."



Hunt pursuing his challenge in Vance County

between the two as Hunt challenges Helms for his Senate seat.

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The colorful Helms, 62, wields highly charged oratory as a nationwide clarion for the right. "The Soviets are out for blood everywhere in the world," he says on the stump. His invective is peppered with humor: "I was standing on the Capitol steps when an empty cab pulled up and Walter Mondale got out. I even saw Ted Kennedy with his hands in his own pocket."

Both Helms and Hunt support a sustained military buildup, the MX missile and B-1 bomber and stronger convention-

tion forces. They oppose a nuclear freeze. Both back a constitutional amendment to permit spoken prayer in public schools.

On more peripheral and personal matters, however, the campaign is downright nasty. "We knew it would be hateful and mean and expensive," says Betty McCain, Hunt's campaign chairwoman. Helms began a TV, radio and mail attack more than a year ago. It accuses Hunt of waffling on issues and tries to goad him into taking a stand for or against the presidential candidacy of Jesse Jackson.

Hunt has responded with a smaller, lower-key ad and mail drive. It cites Helms' votes against restoring minimum Social Security benefits, tax credits for the elderly and larger tax cuts for the middle class. One TV spot claimed that about 75% of the campaign funds Helms raised last year came from out-of-state sources. In fact, both campaigns have attracted large donations from a variety of nationwide groups, based mainly on their strong sentiments for or against Helms.

So far, the Senator's negative campaigning seems to be working. While statewide polls showed Hunt leading Helms by 20 percentage points last October, the most recent polls place them in a virtual tie, although a crucial 10% are undecided. The polls also show that 36% of the state's Democrats, who outnumber Republicans 3 to 1, say they may vote for

Nation

Helms. "Helms caught Hunt off guard," contends University of North Carolina Political Scientist Merle Black. "Hunt needs to confront Helms on these misrepresentations, which are a modern version of the old whisper campaigns."

On the campaign trail, Hunt has tried to ignore the Helms attacks and stress his own achievements as Governor. "We will take our lumps right now, lay out our organization and get the campaign going on our terms," explains Hunt Press Aide Stephanie Bass. "If they can talk us into

punching the tar baby, they've got us." Hunt has developed a strong supporting machine through a patronage system affecting about 4,800 state jobs and appointments. He describes the race as probably one between "a moderate and a reactionary." The Helms strategy, on the other hand, is to draw the lines so the fight is seen as one between "conservative and liberal, plain and simple," says Helms' campaign adviser Tom Ellis. Helms insists that he has not run a mean campaign. "He's a personable fellow," says

the Senator of the Governor. "I'm not giving him hell. He just thinks it's hell."

All the rhetoric is proving almost obscenely expensive. Helms raised \$4.4 million last year and an additional \$2 million in the first quarter of this year, and is expected to spend perhaps \$14 million by November. Hunt has taken in just half as much so far and claims that he will spend only about \$5 million. Still, that would make it the most expensive Senate race in history.

—By Ed Magnusson. Reported by Joseph N. Boyce/Raleigh

Six Worth Watching

Jesse Helms' Senate seat is one of 33 that are at stake this year, 19 held by Republicans and 14 by Democrats. To capture control, which they lost in the Republican onslaught of 1980, the Democrats need a net gain of six seats. Notable races where the rhetoric has already heated up:

TEXAS. Last August, when Republican John Tower announced he was retiring from the Senate, the news caught the party off guard. No one had been groomed to succeed the spunky, conservative 23-year Senate veteran, Congressman Phil Gramm, a former Democratic "boll weevil" who co-sponsored President Reagan's budget-cutting legislation in 1981 and 1982, converted to the G.O.P. in 1983 and is now the leading contender for the party's nomination. Running on his "proven record as an effective leader," Gramm has the advantage of appealing to conservative Democrats and independents. His strongest opponent is Moderate Robert Moshbacher Jr., a rich Houston oil-



Phil Gramm and Robert Moshbacher

man Ron Paul, who favors the elimination of all welfare benefits and a return to the gold standard.

Among the three main Democratic candidates, the front runner is Robert Krueger, who came within 12,000 votes of defeating Tower in 1978. His style is aloof and intellectual: a Shakespearean scholar with a doctoral degree from Oxford, Krueger was once a dean at Duke University. Conservative Congressman Kent Hance, with his good-ole-boy demeanor, plays up the contrast between the elegant Krueger and himself. "I'm a Texan," he draws. "I think like a Texan and I'll vote like a Texan." Battling Krueger for the liberal vote is State Senator Lloyd Doggett, a consumer advocate and civil rights crusader who has won endorsements from the Texas Coalition of Black Democrats and the state AFL-CIO.

MASSACHUSETTS. Democratic Senator Paul Tsongas looked like a shoo-in for re-election. But along with Tower, Tsongas became one of four Senators (two Democrats and two Republicans) who have announced they will not seek re-election. Seven Democrats are scrambling to succeed him. Congressman James Shannon, an ally of House Speaker Tip O'Neill, is probably closest philosophically to the neo-liberal

Tsongas. Congressman Edward Markey has based his reputation on passionate support of a nuclear freeze and little else. When it seemed he was alienating his liberal constituency by opposing abortion rights, Markey shifted his stand on the issue. Supporters of Lieutenant Governor John Kerry say he combines Markey's good looks with Shannon's intelligence. He is a decorated Viet Nam War veteran and former leader of Viet Nam Veterans Against the War.

On the Republican side, patrician Elliot Richardson, a veteran of three Cabinet posts who resigned as Richard Nixon's Attorney General in Watergate's Saturday Night Massacre, should get a run for his money from feisty Businessman Raymond Shamie, who garnered 39% of the vote when he challenged Ted Kennedy in 1982.



James Shannon and Elliot Richardson

ILLINOIS. After Jesse Helms, the prime target of the Democrats this year is Republican Charles Percy, chairman of the Senate Foreign Relations Committee. He won his third term in 1978 with his narrowest margin, 53% of the vote, and since then has moved somewhat rightward. The Democratic candidate, Representative Paul Simon, is better known for his trademark bow ties than his legislative input during five congressional terms, but he has waged an inspired campaign against his opponent. Percy's commercials show Reagan praising him and then trumpet that he is, therefore, "the Illinois advantage." Simon counters that Illinois ranks 49th out of 50 states in return of federal tax dollars. Asks he: "What kind of advantage is that?"



Charles Percy and Paul Simon

Democrats are also placing high hopes on three other races: Tennessee, where the retirement of Senator Howard Baker has led to a free-for-all among four Republicans vying to run against Democratic Congressman Albert Gore Jr.; Mississippi, where popular former Democratic Governor William Winter is challenging Republican Thad Cochran; and Iowa, where an acrimonious race is shaping up between freshman Senator Roger Jepsen, a conservative Republican, and Representative Tom Harkin, a liberal Democrat. In each case the outcome will partly turn on the popularity of the man at the top of the ballot, Ronald Reagan.

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Pitchman of the Power House

How top Lobbyist Bob Gray makes friends and sells influence

There was a time when lobbyists were discreet, working their deals behind closed doors. But Robert Keith Gray is a new breed of lobbyist, preferring to enter by the front door and stay in the limelight.

The dapper, polished Gray, 62, is the founder and president of Gray & Co., an 86-member lobbying and public relations firm located in a lavishly decorated former generating plant in Georgetown immodestly named the Power House. His office is decorated with photographs of him shaking hands with every President since Dwight Eisenhower. "With appreciation and warmest friendship," says a photo inscription from Ronald Reagan, whose Inauguration ceremonies Gray helped arrange. By day he likes to be seen with his pals in high places, including CIA Director William Casey, Senator Paul Laxalt and most of the Cabinet. By night, if his friends have to work, Bachelor Gray squires their wives to so many Washington parties that he claims he wears out two tuxedos a year.

Gray cultivates his connections by hiring people on the basis of whom they know. "I only want the stars," he says. It is a policy that gets him publicity, not always welcome. Four months ago, Gray hired Alejandro Orfila, the Secretary-General of the Organization of American States and former Argentine Ambassador to the U.S., at \$25,000 a month. At the time Orfila, who is an accomplished Washington socializer, was still working for the O.A.S. and collecting his \$88,000-a-year salary. He continued working as both a diplomat and a member of Gray & Co. until his resignation from the O.A.S. on March 31. Last winter, a black limousine with diplomatic plates that read "OAS 8" was often seen idling outside the Power House, while Orfila worked within. Although Orfila insists that he did no lobbying while he was on both payrolls and that he was moonlighting from the O.A.S. on accumulated leave time, the O.A.S. this month rebuked him and began an investigation of his nine years in office. A few days later, Gray was back in the news for getting Ursula Meese a job running a small foundation. The wife of embattled Presidential Counsellor Edwin Meese, she has maintained that she took the \$40,000-a-year job as executive director of the foundation at American University in early 1982 because her family needed the money. She still has the post.

For all his intimate connections, however, Gray is not just a political fixer. The

rules of lobbying have changed since the days when the legendary Thomas ("Tommy the Cork") Corcoran could pick up the phone and deliver the goods for a client. As federal regulations have grown ever stricter in the past 15 years, the number of registered lobbyists has quadrupled. There are now about 6,500, or just over twelve for every member of Congress. But while this growing cacophony of special-interest groups is fighting to be heard, lobbying has become more open, thanks to the full-disclosure demands of the post-Watergate era.

What Gray offers is a prized Wash-



At the Capitol: "Today's lobbyist has to be a straight shooter." A small-town boy who gets along, at \$350 an hour.

ington commodity called access. His specialty is the returned phone call. "A Bob Gray can get your case heard," says Jack Albertine, president of the American Business Conference. Declares the *New Republic* columnist TRB: "Gray's firm has broken new ground in the brazenness with which it presents itself as selling not legal services or even public relations, but connections pure and simple."

Gray maintains these connections by performing small favors, like getting the job for Ursula Meese or helping Nancy Thurmond, the wife of Senator Strom Thurmond, Republican of South Carolina, organize charity balls. (He once put Mrs. Thurmond on his payroll, but criticism of the potential conflict of interest caused her to resign.) Gray says he never asks for favors in return. "There was a time when booze, blonds and bribes were

the persuaders," he explains. "But today's lobbyist has to be a straight shooter." Contends Staffer Frank Mankiewicz, who until last year ran National Public Radio: "He's a small-town boy, like Ronald Reagan. In a small town, you help your friends."

Gray, who was born in Hastings, Neb., is a good deal more than just a small-town boy grown big. He is a Harvard Business School graduate who since going to Washington as a low-level official in the Eisenhower Administration has had the knack for cultivating the powerful of both parties. He left the public relations firm of Hill & Knowlton Inc. in 1981 to build a company that by 1983 was earning \$11 million a year. He owns 75% of Gray & Co.'s stock, and enjoyed a salary last year of \$401,500.

Gray has produced results for many clients, including the government of Turkey, which has little support in Congress. The powerful Greek lobby was determined to trim back Turkey's military aid last year, but Gray sent Lobbyist Gary Hymel, a former top aide to House Speaker Tip O'Neill, to work on House leaders. Martin Gold, former counsel to Senate Majority Leader Howard Baker, was sent by Gray to deal with Republican leaders in the Senate. Turkey ended up getting more military aid out of Congress than the year before.

Such services do not come cheap. The firm often charges clients both a monthly retainer and high hourly fees. An hour of Gray's time costs \$350. Says a former employee: "Suddenly, at the end of the month, the client is hit with a \$40,000 or \$50,000 bill. He says, 'My God, what have I gotten for this?'" Sometimes little more than a handshake. One arms dealer paid Gray \$65,000 to help him make his case to the Pentagon on a foreign spare-parts deal. Gray set up a meeting for the client with Defense

Secretary Caspar Weinberger, but the arms dealer did not get the contract. Nor can Gray always deliver the handshake. The National Food Processors paid him a major fee largely in the hope that he could persuade President Reagan to speak at their annual convention in early February. The President declined.

Gray insists that he will not take on just any client, and hints that he has turned away the government of Libya and the Rev. Sun Myung Moon. But how did he know, for instance, that more military aid for Turkey was in the national interest? "I always check these situations out with Bill Casey," says Gray, dropping like a brick the name of his friend the CIA director. For Bob Gray, friendships like that are not just to be made; they can be marketed. —By Evan Thomas. Reported by David Beckwith and Jay Branagan/Washington

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IN THE CATEGORY
IT CREATED.**



Many years ago, into a world forced to choose between the sports car and the passenger sedan, BMW introduced an innovation that proved prophetic. A way of merging the two into a whole greater than the sum of its parts.

Car and Driver, taking note of the achievement, wrote that "BMW's have reigned as the definitive sports sedan for nearly twenty years now. The world's car companies perennially take them apart to see what makes them tick."

Now there's a new candidate for such dissection—an effort that will prove exhilarating for driving enthusiasts and chastening for a world of late entrants into the sports sedan genre.

It's called the BMW 325e.

**HIGH TECHNOLOGY
DEDICATED TO HEIGHTENING
YOUR PULSE RATE**

The 325e is a \$20,970* car of high performance. And central to its prodigious performance is a power plant unique to BMW: the technologically ingenious 2.7-liter, 6-cylinder 'Eta' engine. It develops high torque at low to medium range engine speeds, thus offering you exceptional response as you move

through the
gears. This

response is enhanced by a newly refined version of BMW's Digital Motor Electronics. A microprocessing system that uses data based on engine and driving conditions to calibrate the electronic fuel injection and ignition instantly and precisely. The system is so efficient and unerring it also manages the BMW engine that powers the current Formula One Grand Prix Championship car.

In the 325e the result is an aggressively smooth engine that delivers soul-stirring performance with a remarkable EPA-estimated 23mpg, 36 highway.*

But as Road & Track states and BMW engineers concur, "the concept of performance encompasses a good deal more than the various aspects of acceleration."

It encompasses, for example, excellence in deceleration as well. For that reason the 325e has been equipped with disc brakes for all four wheels. And they're vented in front, where most braking stress occurs, to increase their fade resistance.

The 325e also has a newly engineered sport suspension that's fully independent, with anti-roll bars at the front and rear for flatter, confidence-inspiring handling and a crisp, yet supple ride.

A NEW INTERIOR ARCHITECTURE.

Inside the BMW 325e there are no sacrifices required in the name of high performance. The ergonomically engineered driver's domain includes totally new BMW

sport seats that can be molded to your needs with a myriad of orthopedic adjustments.

While in front of you the instrument panel incorporates the second generation of BMW's onboard computer. It handles such chores as warning you when the outside temperature nears freezing and providing anti-theft protection. You can activate it by pressing the turn signal so it won't distract you from driving.

Other informative BMW innovations include a Service Indicator that determines your individual driving style and recommends when routine services are due. And an Active Check Control that monitors vital engine functions to offer early warning in the event of a malfunction.

**THE SPORTS SEDAN
OTHER CARS PROFESS TO BE.**

The 325e exudes the same attentiveness to detail and quality that characterizes all BMWs and elicited this from Motor Trend: "doors close with a nice solid clunk, gear changes are crisp as cold celery and the steering as precise as a dial indicator."

In sum, it expands the prerequisites for all those cars seeking credibility as high-performance sports sedans. Every nuance of its performance has been finely honed and heightened to elevate driving from a mere pastime into a passion.



THE ULTIMATE DRIVING MACHINE.

*Manufacturer's suggested retail price. Actual prices established by dealers. Taxes, freight, optional equipment and any other dealer charges are extra. Price is subject to change without notice. †Fuel efficiency figures are for comparison only. Your actual mileage may vary, depending on speed, weather and trip length. Actual highway mileage will most likely be lower. ‡1988 BMW of North America, Inc. The BMW trademark and logo are registered. European Delivery can be arranged through your authorized U.S. BMW dealer.



Mystery Money

A new Meese puzzle

Yet another cloud has appeared over the troubled nomination of Presidential Counsellor Edwin Meese as U.S. Attorney General: a tax-exempt Reagan Administration transition fund, headed by Meese in 1980-81, that refuses to reveal where its private donations came from and where much of its money went. The *New York Times* reported last week that the fund has even refused to open its books to a federal audit. The disclosure led Senate Judiciary Committee Member Ted Kennedy to ask Jacob Stein, the special prosecutor looking into allegations raised against Meese, to include the fund in his probe. A source close to the investigation insisted that Stein, with his far-ranging mandate to sort out the tangled Meese affair, will almost surely decide to look into the matter.

Meese served as president and the only salaried director of the Presidential Transition Foundation Inc., set up to plan the transfer of executive power from the Carter Administration to Reagan's team. The other directors were William Casey, now CIA director, and Verne Orr, now Secretary of the Air Force. In addition to receiving \$2 million in operating expenses from the Government and \$250,000 from the President's campaign treasury,

the foundation raised \$688,931 from unidentified private donors, according to its tax return. No limit was set on the amount people could donate, but Orr said at the time that single contributions were being limited to a maximum of \$5,000. The foundation also promised that its books would eventually be made public.

That never happened. The fund declined a request by the General Accounting Office (GAO) in 1981 to provide an accounting of privately raised receipts and their disbursement. A similar request to the White House in 1981 produced a vague promise that it was "attempting to formulate a response," according to the GAO. Even though the foundation has claimed tax exemption, the Internal Revenue Service has never approved that status. Noting that the IRS is headed by a presidential appointee, Kennedy asked, "Why has it not audited the foundation?" If the transition fund is not tax exempt, the donors of the \$688,931 could not claim tax deductions.

Meese's attorney, E. Robert Wallach, said that "explicitly, Meese didn't handle fund raising, he didn't handle disbursements." Another member of his legal team, Leonard Garment, promised that if Prosecutor Stein decides to probe Meese's role at the foundation, "we are prepared to answer all of his questions." ■



Edwin Meese



Lawyer Howard Weitzman looks pensive as De Lorean and wife emerge from the first day of trial

De Lorean vs. Almost Everybody

Was he entrapped, or just caught in the act of being himself?

"**T**his is the big guy, and they smell blood, blood." The lawyer's voice lowered ominously: "There is no stopping them now. It is like sharks in a feeding frenzy." Pacing before the jury of six men and six women, wiry, emotive Defense Attorney Howard Weitzman was a consummate showman. Stolid in contrast, Assistant U.S. Attorney James P. Walsh meticulously outlined the Government's case with the help of flow charts and excerpts from recorded conversations printed on large posters. The defendant followed each statement intently, occasionally running a restless hand through his mane of silver hair. In the front row, his wife Cristina, actress and model, shook her head in mute exasperation at the prosecutor's charges.

The long-delayed trial of fallen Auto Magnate John Zachary De Lorean, 59, finally opened last week in the U.S. courtroom in Los Angeles, 18 months after his dramatic arrest in that city in a Sheraton Hotel room. He is charged with conspiring to distribute \$24 million worth of smuggled cocaine. The evidence: five hours of videotapes and 48 audio recordings made by a paid informant and by undercover agents from the FBI and the Drug Enforcement Administration.

In his opening statement, Weitzman declared that federal agents had ruthlessly taken advantage of De Lorean's financial woes to entrap him in an operation the lawyer likened to the movie *The Sting*. De Lorean, he claimed, had been "framed," then threatened by FBI Informant James Hoffman, a convicted cocaine dealer and admitted perjurer, "John De Lorean was sucked into this," Weitzman said over and over again. The videotapes, he said, were "produced, choreographed and directed to make De Lorean look guilty."

The prosecution maintained that De

Lorean's "driving desire to succeed" and his auto company's desperate straits had led him into the narcotics deal. On the trial's second day, the prosecution showed a videotape of an undercover FBI agent posing as a banker explaining to De Lorean how money could be "laundered." Off camera, De Lorean eagerly interjected, "It looks like a good opportunity." De Lorean, the prosecution argued, "was caught in the act of being himself."

As the trial opened, De Lorean's financial practices were being subjected to even closer scrutiny in Detroit, where he once worked as general manager of General Motors' Chevrolet division. A federal bankruptcy judge ruled against his claim to \$975,000 in assets from his insolvent De Lorean Motor Co. A federal grand jury there is reportedly investigating allegations of criminal fraud. The charges against De Lorean stem from the creditors' claims of more than \$120 million against the car company. A major charge: that the ex-automaker siphoned off \$8.5 million of company money through a Swiss bank into his personal account in the U.S. De Lorean will not be obliged to testify before the grand jury until his trial in Los Angeles is over, which might not be until June.

The creditors have already tied up De Lorean's assets, including a 430-acre New Jersey estate worth \$4 million and a 20-room Manhattan apartment, also worth \$4 million. They sued again last week to prevent De Lorean from selling or transferring his 48-acre California estate, valued at \$4 million. Without that money, said his lawyers, De Lorean was "peniless." Said Weitzman of his once extravagant client: "He has been brought to his knees."

—By Alessandra Stanley,
Reported by Russell Leavitt/Los Angeles and
Paul A. Wittman/Detroit

Plains Truth

"I don't like to lose"

During her husband's term in the White House, Rosalynn Carter was often characterized as a "steel magnolia." In her autobiography, *First Lady from Plains* (Houghton Mifflin, \$17.95), to be published early next month, she does little to defrost that decidedly cool image. By her own account, she is a tireless campaigner and a more cunning strategist than the 39th President. "I am much more political than Jimmy and was more concerned about popularity and winning re-election," she says. "Our most common argument centered on political timing."

The former First Lady says she urged her husband to postpone the Panama Canal treaties and some of the Middle East decisions until his second term. And she argued that he should delay announcing federal budget cuts that would affect New York City until after the 1980 New York primary. "My pleas always fell on deaf ears," she recalls. But through dogged persistence, she occasionally managed to get her way. "I wanted Jimmy to fire [Health, Education and Welfare Secretary] Joe Califano long before he ever did," she writes. "I felt Jimmy could find someone who would do the job just as well and keep a lower profile." Carter fired Califano in July 1979.

When Rosalynn was twelve years old, a Plains merchant offered a \$5 prize for the seventh-grade student with the highest yearly average. "I could not let up on myself," she remembers. "I had to win it." And she did. In 1980, when a campaign aide praised her husband for not seeming bitter about his loss to Reagan, she retorted:

"I'm bitter enough for the both of us."

The former First Lady's comments on her relationship with her husband are revealing. She was 17 when she caught the eye of the earnest home-town boy who attended the U.S. Naval Academy. "I knew this was the person I would fall in love with, the person I wanted to have fall in love with me," she recalls. As a Navy wife, she lived in locations from Connecticut to Hawaii, far from the strictures of small-town life. When her husband decided, after the death of his father, that the family must return to Plains, she was devastated. "I cried. I even screamed at him," she remembers. "It was the most serious argument of our marriage... I thought the best part of my life had ended."

In fact, the best part—politics—was only starting. In the book's final passage, she describes the inner engine that helped propel her and her husband from a sleepy town in Georgia to the White House: "Nothing is more thrilling than the urgency of a campaign... I don't like to lose." ■



FIRST LADY FROM PLAINS
Rosalynn Carter

The Presidency/Hugh Sidey

Be Wary of the Cautious

One worry about the great Washington shout-out over how the U.S. should stand tall in the world is that we could soon produce a feckless breed of political leaders who would spend their time debating how best to do nothing.

Secretary of State George Shultz fretted about that in his office the other day. He is partisan, of course, but his concern over America's tendency to be gun-shy about world involvement reflects a broader perspective. "I think you have to be willing to be engaged where you think you might make a difference," he said. While he talked, the arguments about our involvement in Nicaragua raged on Capitol Hill, and the memories of our withdrawal from Lebanon were all too fresh.

Shultz accepts that such failures are an inevitable part of his job. But any U.S. leader, he believes, must take these types of risks or the world will overwhelm us. "I think the Lebanon situation was one that we almost necessarily had to get into," says Shultz. "So we didn't succeed in attaining the objectives that we sought, but we haven't failed completely either." In short, the willingness to try was an important part of the policy.

There is about Shultz a little of the Princeton half-back he once was: a bit battered but more determined than ever to keep running. He views the Democrats who assault him every day as unrealistic. Gary Hart, who wants the U.S. military out of Central America, "has the stop-the-world-I-want-to-get-off idea," the Secretary says. Criticism from allies as well as foes will always be a leader's lot, says Shultz, and so too will be internal doubts and frustrations. But much of what he hears now, he protests, is "a way of saying we should never try anything that is difficult."

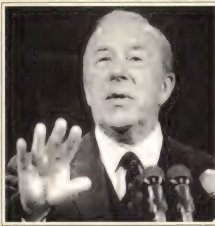
There are echoes of Shultz's position in former Secretary of State Dean Rusk's accusation that Congress meddles too much in foreign policy, rarely giving a presidential initiative a full and fair chance. A former National Security Adviser to a Democratic President fears that the Democrats may this year produce a presidential candidate, a party platform and a campaign mood that will be strongly isolationist. Both Walter Mondale and Gary Hart shy too much from risk, which is always a part of leadership, this man believes.

The *enfant terrible* of the House floor, right-wing Republican Newt Gingrich, 40, of Georgia, scales the rhetorical heights by quoting Winston Churchill about the years before World War II: "The malice of the wicked was reinforced by the weakness of the virtuous."

Churchill had a string of spectacular failures as well as successes. So did Franklin Roosevelt in domestic policy during his struggle to lift America out of the Depression. John Kennedy's first year was one of almost continuous defeat, but fortunately, it was a year also marked by unceasing experiment in diplomacy and military improvement. In the American legend, the discouragements with men and events heaped on Abraham Lincoln in his early years of the Civil War sent him into fits of melancholia. But he always climbed out and tried again. He did something. That is not the least of the characteristics that kept Richard Nixon at the center of our political life for nearly 40 years. Even today he runs a kind of shadow presidency that speaks with the tempering that has come from defeat after defeat but still endures, urging the likes of Shultz to come back stronger after each rebuff.

The one thing worse than unsuccessful efforts in the Middle East, Central America or anywhere might be to do nothing at all, a pleasant prospect in the short run but a course that often invites the ultimate disaster.

A long time ago, students of power concocted a formula that has yet to be disproved: "An army of stags led by a lion would be better than an army of lions led by a stag."



"You have to be willing to be engaged"

China

COVER STORIES

East Meets Reagan

A nation with a new look prepares to welcome an old-style anti-Communist

The trip is as rich in irony as Richard Nixon's momentous journey to China in 1972, which opened the door to diplomatic ties after 25 years of mutual loathing. If anything, Ronald Reagan's reputation as a stout foe of Communism exceeds Nixon's. The President's sympathy for Taiwan during the first two years of his term caused the American-Chinese relationship to sink to its lowest level in a decade. Yet when Reagan steps off Air Force One in Peking this week, it will not only mark the first time that he has ever set foot on Communist soil. The visit will highlight one of the Administration's rare foreign policy successes. Said White House Aide Michael Deaver: "This is Ronald Reagan's most important foreign trip."

Though the voyage promises more symbol than substance, neither side is down-playing the value of that symbolism. For Reagan, the trip underscores his commitment to the Pacific Basin and polishes his image as statesman while his Democratic presidential opponents prepare to slug it out in the Texas caucuses. For Deng Xiaoping, China's *de facto* leader although he holds no top government or party title, the journey will reaffirm

China's determination to broaden its ties with the West. It will also allow millions of Americans following Reagan's trip on television to get an unusually close look at a nation that has undergone a major facelift in the nine years since Gerald Ford, the last U.S. President to visit China, landed in Peking (see following story).

Both guest and host have diligently prepared for the occasion. In the month before his departure, Reagan sat through six 90-minute briefing sessions, instead of the usual three for a foreign swing. He watched a movie filmed by a White House advance team of the sites he would visit and perused a National Geographic book entitled *Journey into China* along with the usual policy papers. "I don't know why I didn't know enough about

China to be as aware as I am now of the great scenic beauty of the land," Reagan confessed to a group of Chinese journalists in Washington last week.

Peking's welcome began even before the President left Washington for the first leg of his 14-day, 20,000-mile journey last Thursday (he was to spend Easter weekend at his California ranch). After insisting initially that the presidential entourage, including the press, be limited to 200, Chinese officials graciously upped the number to 560. Reagan will also be allowed to fly aboard Air Force One within China and to take along his own limousine and helicopter, privileges that were not accorded Nixon or Ford.

The President is scheduled to hold seven hours of talks with Deng, Premier

Let a hundred ads bloom: billboards that once were emblazoned with the sayings of Chairman



“I'll go as a salesman, doing everything I can up to the point of putting a 'Buy America' sticker on my bag.”

—RONALD REAGAN

The advertisement collage features several prominent signs. On the left is a large red sign for 'SEAGULL' watches, with the Chinese characters '海鸥表' (Seagull Watch) and '中国第一名表' (China's No. 1 Watch). The sign displays several silver-toned watches. To the right is a white sign for 'Canon' (佳能) electronics, showing various camera models and the text '佳能公司 光学精密电子仪器的综合厂' (Canon Company, comprehensive factory of optical precision electronic instruments). Below the Canon sign is a sign for '广东烟花' (Guangdong Fireworks), featuring images of exploding fireworks. At the bottom of the collage, a group of people is seen riding bicycles along a street.

Zhao Ziyang and General Secretary Hu Yaobang. Reagan and Zhao will sign at least two documents, both relatively minor: a treaty that would eliminate double taxation on U.S. companies in China, and a two-year extension of a cultural exchange agreement reached in 1979. If last-minute negotiations pay off, the two leaders will endorse a deal allowing U.S. companies to build nuclear power plants in China. The discussion has been snagged over a U.S. requirement that any country receiving American nuclear technology seek U.S. consent before reprocessing spent uranium.

Also on the agenda are China's possible interest in buying arms from the U.S. and its desire to expand commercial ties. All the talks, however, will be overshadowed by what remains the thorniest issue: Taiwan. Reagan has dampened his support for the island nation considerably since he became President. The turning point came in August 1982, when the U.S. signed a communiqué with China pledging "to reduce gradually" its arms sales to Taiwan. By the spring of 1983, when the U.S. loosened its export rules for a technology-hungry China, Peking had begun to warm toward Reagan. Five Cabinet officers have made pilgrimages to China in the past 15 months. Yet the President's attitude toward Taiwan can still rattle.

As he said to the Chinese journalists last week, "We will not turn our backs on old friends." China is especially upset that U.S. arms sales have not dropped off more sharply; in fiscal year 1983 the U.S. authorized arms sales of \$697 million to the island, vs. a 1984 total of \$680 million. Reagan is expected to listen patiently to the Chinese complaints, but aides are sure he will not give any more ground.

Reagan and his hosts will find more room for agreement on other topics. Many aspects of China's foreign policy coincide with U.S. interests; Washington, for example, approves of Chinese efforts to restrain Viet Nam in Kampuchea and to build stronger ties with Japan. U.S. officials are also heartened by China's attempts to begin talking to South Korea. Says a State Department aide: "They know a new Korean war would be a major disaster for them and for us." Most important, the U.S. and China remain equally suspicious of the Soviet Union. Although Peking and Moscow resumed low-level talks last year, the Chinese remain opposed to the Soviet occupation of Afghanistan, Soviet support for Viet Nam, and the presence of 52 Soviet divisions on China's northern border. Reagan will have three televised opportunities to get his message across to the Chi-

nese public: an interview with Chinese journalists, a speech at Peking's Great Hall of the People, and a question-and-answer session with students at Shanghai's Fudan University. Besides the requisite stops at schools, suburban communes and the Great Wall, Reagan and Wife Nancy will take a one-day side trip to Xian, an archaeological wonder featuring the 2,000-year-old tomb of China's first Emperor. In addition to the sumptuous banquet at the Great Hall, the Reagans will be treated to a more intimate dinner with top Chinese leaders at the Diaoyutai guesthouse, a onetime imperial fishing resort more than 800 years old where the presidential couple will be staying. The Reagans will reside in a renovated villa, complete with indoor garden and an imposing replica of a Ming dynasty dragon bed with a pillared canopy. The Americans will give their own spread: 600 guests at the Great Wall Hotel for roast tom turkey, accompanied by sea-fod mousse and praline ice cream. About 220 lbs. of frozen poultry were flown to Peking two weeks ago, but the Reagans will personally bring the wine (390 bottles of California's finest reds, whites and champagnes).

Between the toasts, talks and sightseeing tours, Reagan and the Chinese will be able to size each other up. If relations between the two countries have not always gone smoothly since Nixon's great leap twelve years ago, it is partly because both countries fostered unrealistically high hopes of what could be achieved. Barring some impolitic comment by either side about Taiwan, the Reagan road show through China cannot help raising the temperature of the friendship another few degrees.

—By James Kelly, Reported by Laurence L. Barrett with Reagan and John FlorCruz/Peking

Mao now bear gaudy messages hawkling foreign goods

The collage features several advertisements:

- Top left: A watch advertisement with the text "分秒金華 萬無一失" (Every second is gold, never a mistake).
- Top right: An advertisement for a bucket and other items with the text "華商信託 經銷名廠 各種貨物 一律批發" (Chinese Trust Company, selling famous brands, various goods, all wholesale).
- Middle left: An advertisement for "TSS" (Tianjin Sports Shoes) with the text "TSS" and "天津體育鞋廠" (Tianjin Sports Shoes Factory).
- Middle right: An advertisement for "GOLD CUP" (足球金盃) with the text "GOLD CUP" and "足球金盃" (Soccer Gold Cup).
- Bottom left: An advertisement for "SHILIN WINE" (少林酒) with the text "SHILIN WINE" and "少林酒" (Shaolin Wine).

The advertisement is for "北京市建築" (Beijing Construction), with the subtext "(原北京市建)". It features a large image of a construction crane against a sunset background. The text "QT 80" and "QT 100" is visible on the crane. At the bottom, there is contact information: "中國·北京·東直門外 17 號1321 電話1240".



“ The presentation of views in a calm way helps increase understanding. I hope to see an enhancement of the friendship. ”

—DENG XIAOPING

CRASHLEY

China

Capitalism in the Making

China opens its door to Western fads, finances and fears

One day Deng Xiaoping decided to take one of his grandsons to visit Mao Tse-tung.

"Call me Granduncle," Mao offered warmly.

"Oh, I certainly couldn't do that, Chairman Mao," the awe-struck child replied.

"Why don't you give him an apple?" suggested Deng.

No sooner had Mao done so than the boy took a healthy bite out of it, then happily chirped, "Oh, thank you, Granduncle."

"You see," said Deng, "what incentives can achieve."

—A story told around Peking

In the once sleepy fishing village of Shenzhen, a new golf course stretches out from the Honey Lake Country Club. High-rise apartment buildings tower above newly created avenues, and a 48-story trade center is nearing completion. Scores of foreign-owned operations, including those of such giants as PepsiCo, Citibank and Sanyo, have streamed into the area, where a decidedly unsocialist billboard exhorts, **TIME IS MONEY! EFFICIENCY IS LIFE!** In the midst of those developments, many peasant families own three-story houses furnished with stereo systems, refrigerators and color TVs (sometimes two per family so that parents can watch one program and children another). When Deng Xiaoping, 79, China's *de facto* leader, paid a visit in January, he asked one resident how much he earned. Upon hearing the reply (more than \$300 a month), the leader observed, with as much amusement as amazement, "You make more than I do."

In the outskirts of Canton, the ballads of country singer Kenny Rogers boom across a small store where four youngsters are huddled over a Space Invaders screen. In the streets of Peking, long-haired young men in dapper trenchcoats walk arm in arm with girlfriends in high heels. Near by, in neon-lit consumer emporiums, grizzled countryfolk peel off huge sheaves of banknotes to buy TV sets to take back to their villages. The Jianguo Hotel is a replica of the Holiday Inn in Palo Alto, Calif. Not far away, Maxim's de Pékin serves *haute cuisine* at \$70 a head. The regiments of bicycles that clog the streets have been joined by Mercedes sedans and Japanese-made Hino tourist buses. Earlier this month, the Peking *Daily* (circ. 500,000) ran a photo of an attractive woman and her family standing next



SHENZHEN—AP/WIDE

BEIJING—AP/WIDE



New Instruments: a petrochemical complex and an IBM computer used for the national census

to a new Toyota. Thanks to an income of more than \$18,000 last year, Chicken Farmer Sun Guiying had just become the first peasant in the 35-year history of the People's Republic to buy a private car.

These are but a few examples of how dramatically China has changed since a U.S. President last came to visit. The China that Ronald Reagan will see bears little resemblance to the drab and sullen nation glimpsed by Richard Nixon in 1972 and Gerald Ford three years later. The giant billboards that once displayed Mao's quotations now bear gaudy advertisements for cameras, calculators and computers. The farming communes of the countryside, that ubiquitous trademark of the Maoist republic, have in effect been dismantled. Like the imposing façade of the main gate to Peking's Forbidden City, which is shrouded by scaffolding, all China is undergoing a radical facelift.

In the eight years since the death of Mao, Deng has installed the revolutionary notion that people produce more if offered incentives. Without upheaval or fanfare, without blatant feuds at the top or bloody purges at the grass roots, Deng and his pragmatic colleagues have brought about the most sweeping reforms ever attempted under the banner of Marxism. They have transformed the nation's agricultural system, awakened its cultural life and quintupled the income of millions of peasants. Their ambitions, moreover, seem almost limitless: they aim to quadruple the gross national product, double the nation's output of energy, and raise per capita annual income from the present \$300 to \$800 by the year 2000. "Deng sees the Mao era as an interregnum between dynasties," notes a Western diplomat in Peking. "He sees his own epoch as the real beginning of the People's Republic."

As befits such grand expectations, the post-Mao leadership has also overhauled the structure of China's relations with the world. From the Daqing oilfields in the north to Canton in the south, from Shanghai in the east to sooty Lanzhou in the west, 1,600 foreign specialists are working to boost China's economy. Some 128 American firms have offices in Peking; this year trade between the U.S. and Chi-

na will amount to \$5.5 billion, a fiftyfold increase since 1972. Ten years ago, almost no Chinese were allowed to go overseas; today there are 10,000 students in the U.S. alone. Fifteen years ago, China kept only one ambassador abroad (in Cairo); today, with representation in 128 countries, China has become one of the world's most diplomatically active nations. Proclaimed Premier Zhao Ziyang during his triumphant tour of the U.S. in January: "China has opened its door and will never close it again."

Yet, as momentous as such developments are, they have so far touched only a fraction of the country. With a quarter of the world's people scattered across 3.69 million sq. mi., China is so vast and com-

plex that even the most far-reaching reforms will take years to filter down to every farm, village and faraway province. Nor can any regime transform almost overnight a proud nation saddled with a 3,000-year history of turbulence.

Deng's regime has done little to eliminate corruption, repression or inertia, and has in fact given rise to some new problems. The swelling of riches in a few areas has made for inequity and envy. The open door has admitted a host of unhealthy and unwanted foreign influences. Many die-hard Maoists, still entrenched in the bureaucracy or established in the military, have managed to resist, and even reverse, the new direction. Though China has, at last count, 1.1 billion people, its G.N.P. is

SEITH WALKER/REUTERS



New developments: a free market in Chengde and Peking's unfinished Xiyuan Hotel



A billboard extols the one-child family

less than half that of France (pop. 55 million). Above all, in its attempt to balance freedom with control, capitalist methods with Marxist assumptions, the present regime has often swung violently between extremes. After more than a century of shifts and countershifts, political twists and ideological turns, many Chinese are disenchanting and disoriented. They, together with their leaders, cannot help wondering how long the latest developments will last.

The basis of Deng's pragmatic philosophy is summed up in his oft quoted dictum "It doesn't matter whether a cat is black or white as long as it catches mice." The practical effects of that maxim have centered on the area in which Mao made his costliest errors: agriculture. During 25 years in power, Mao channeled the vast bulk of all investment into heavy industry, while neglecting to ensure a corresponding rise in food production. At the same time, he encouraged his people to maintain the country's explosive birth rate. Because of this, and a striking rise in life ex-

pectancy (from 40 in 1950 to over 60 today), China's population has risen by more than 500 million since World War II. That is roughly the equivalent of moving all the people of Western Europe and the U.S. into the already overcrowded Middle Kingdom.

Even before Deng effectively assumed power in January 1979, he began to experiment with a "contract" system of incentives for farmers. In just three years, that scheme boosted agricultural production in Sichuan province by 25% and industrial output by 80%. Encouraged by those startling results, Deng soon began replacing the Maoist commune, an unwieldy aggregation that often included tens of thousands of peasants, with a system of smaller economic units, sometimes no larger than a household.

Not only were farmworkers liberated at last from the cruel and often capricious authority of the "team leaders" who supervised the communes, they were soon given tangible inducements to work hard, earn more and live well. In 1979 Deng introduced an "agricultural responsibility system," whereby China's 800 million peasants could make contracts with the state to sell a fixed amount of produce at a set price each year. After that level was reached, the workers could then sell any surplus to the state at a markup of 50% or on the open market at whatever price they could get. To swell production further, Deng hiked the price the government would pay for grain by 23%, while urging farmers to supplement their incomes by raising vegetables, poultry or pigs on the side.

Almost immediately, the incentive system began to pay off. Between 1978 and 1982, according to official reports, agricultural production grew at a steady annual rate of 7.5%, while the average annual income for peasants doubled from \$65 to \$135. In South China some households are now bringing in more than \$5,000 a year. Best of all, the new prosperity has produced a new resourcefulness. In Henan province, several groups of peasants banded together earlier this year to do what had long seemed unthinkable: buy their own ultralight aircraft for crop spraying. Buoyed by such success stories, the party Central Committee has promised that households may continue enjoying the fruits of the "responsibility system" until the end of the century.

Not surprisingly, the flood of new wealth has begun to produce a Chinese version of the affluent society. At the Xiang Jiang state farm near Mao's birthplace in Hunan province, which was renowned a dozen years ago for its spartan housing and inadequate sanitation, TV antennas now protrude from rooftops and pop music blares from tape recorders. Local Party Secretary Qiu Huaisheng proudly points out that "of the 200 households, 126 have bought TV sets and 112 own cassette recorders." Sometimes, however, the peasants' purchases, as well as their entrepreneurial skills, are both illicit and posi-



A stylish couple enjoy an old tradition in Peking's Beihai Park



Consumers in a department store face a wealth of electronic options

tively profligate. A group of peasants in Fujian province pooled its resources to buy a dozen video recorders and a stash of blue-movie tapes. They then charged \$5 admission for every showing.

Prosperity has come less sweepingly to the main cities. A few individuals have managed to form their own lucrative businesses (see box). But Chinese industries, thanks to their system of guaranteed payment and employment—the absence, in effect, of incentives—remain largely paralyzed by their traditions of featherbedding and low productivity. One possible solution is represented by the four coastal enclaves, including Shenzhen, that the government has designated as "special economic zones." These areas, set up to be thoroughfares for the free passage of foreign investment and ideas, have flourished so vigorously that the government plans to create 14 more, from Dalian in the far north to Zhanjiang in the far south.

Meanwhile, in city and in country, new fads and features from the West have begun to change the face and shape of the people. In Peking, women sometimes pay plastic surgeons \$20 (half a month's wage for the average urban worker) to have their eyes enlarged, their eyelids folded or their noses straightened. Men think nothing of putting down \$5 for a permanent wave. Others spend \$5 for disco-coordinated aerobics classes with Oriental Jane Fonda like former Star Gymnast Qi Yufang.

After seeing its cosmetics sales soar last year by 31.5%, the Wangfujing Department Store, Peking's largest, carries more than 300 kinds of makeup; during a recent sale, Peking's No. 7 Clothing Factory sold off all its Western suits in three hours. Few people batted a mascaraed or folded eyelid last month when the China Silk Fashion Color Association announced its forecast in seasoned Parisian tones: "Sprightly beach colors and bronzes of primitive simplicity will be popular in China this spring and summer, with cheerful pastels taking over in the autumn and winter."

Such signs of trendy "me" generationism from the West are bound to disrupt a culture famous for both its antiquity and its insularity. As it has tried to yank itself into modernity while preserving its respect for history, to sustain simultaneously its dedication to progress and its devotion to the past, Deng's China—like contemporary Japan in its very different way—has often lost its balance.

The loser, say China's leftists, is all too often idealism. Tolerance, they believe, is encouraging decadence; capitalist practices and perks, they suspect, are tempting Chinese citizens to abandon the Maoist values of struggle, self-sacrifice and subservience to party in favor of such Western vices as self-interest, elitism and cynical moral pragmatism. Last year a Shanghai newspaper printed what it took to be the inspiring story of Zhang Hua, a medical student who lost his life while try-



The old order inspects the new at an exhibition of the latest spring and summer fashions



Crowds swarm through the streets of Shanghai; a young man enjoys a beer in Canton

ing to save a drowning peasant. More than 1,600 readers wrote to the paper, many of them indignant. Was it not terrible, they complained, that a young man whose training cost the state thousands of dollars should give up his future on behalf of a 69-year-old man?

There are many other signs that Deng's innovative policy has begun to undermine the values of both history and ideology. Peasants are reluctant to join collective projects or to tend such communal needs as village irrigation when they can make more money by tilling their own fields. Self-sufficiency has prompted others to evade the law. To curb population growth, the government has forced women to use birth-control devices, agree to be sterilized or undergo abortions, while also decreeing that those with more than one child must lose 10% of their income for at least five years. Some affluent farmers, however, are no longer deterred by the financial penalty. As more and



China

Making Free Enterprise Click

more young men have begun looking westward, enrollment in the once prestigious Communist Youth League, the party's junior partner, has plummeted. "People are now very pragmatic," observes a 27-year-old student in Peking. "They no longer care about ideology but are only preoccupied with personal well-being. The young worry about love and marriage, the workers about bonuses, the peasants about getting rich, and the intellectuals about going abroad. We've all become slick and sly."

Not to mention sexually audacious—by Chinese standards. Last year, according to Chinese press reports, 700 of the 800 pupils at a Shanghai high school enjoyed subscriptions to *Story*, a tabloid filled with teasing tales of lechery and lust. Feng Bing, 17, a typical teen-age inmate in a Shanghai reform school, told a visitor that he was committed to the institute for watching foreign movies. Later, his principal disclosed that Feng was actually found guilty of seducing twelve-year-old girls. Even premarital and unorthodox sex have come out into the open. "Many of the abortions we perform are on unmarried girls," says a Peking gynecologist. "A few weeks ago, I performed one on a 23-year-old worker. It was her third." A pedestrian on Shanghai's bustling Nanking Road may find himself solicited by tight-jeaned, leather-jacketed homosexuals.

Such developments have bolstered the suspicions of those who fear that free enterprise is ushering in some dangerous kinds of freedom. When Deng issued a routine warning against "bourgeois decadence" at the Central Committee plenum last October, middle-level cadres jumped at the opportunity to crack down. Deng Lihun, head of the party's propaganda department, launched scorching tirades against "obscene, barbarous and reactionary materials," and official party newspapers ran finger-wagging articles under headlines like **WE WANT TO IMPORT JAPANESE COMPUTERS, NOT STRIPEASE**.

But in redressing the balance, the authorities soon went to extremes. As party officials tried to eradicate foreign imports from pornography to humanism, from Jean-Paul Sartre to Jonathan Livingston Seagull, much of the country was tightened to the point of suffocation. By December, the campaign against what came to be known as "spiritual pollution" seemed on the brink of turning into a full-scale and perhaps uncontrollable assault against all foreign matter. Intensely alarmed by that prospect, Deng instantly set about quelling it. Within a month, the leaders had quietly let the entire issue drop. By March, it is said, they had eased Deng Lihun into a powerless corner.

Yet the regime cannot easily cure the jadedness of China's 250 million citizens between the ages of 30 and 45 who became, quite literally, rebels without a cause. Millions of them passed through

It is shortly before 8 a.m. in Harbin, a city of 2 million in northern China. Bai Shiming, 29, an energetic young bachelor, is preparing to open his shop, the Xiurong photographic studio. Bai sports a gray, Western-style suit and light tan shirt but no tie. He checks to see that all the lights are working properly, then readies his ancient-looking plate camera. A few minutes later the first customers arrive, usually in groups of two or three. Most request simple unsmiling head shots, but for more elaborate wedding pictures, Bai can provide a white dress with train.

Bai is of a rare breed: an urban entrepreneur working in direct competition with the state. With the help of a brother and sister, Bai handles 80 to 100 customers a day in his neat, red-painted studio, which he keeps open until 8 p.m. seven days a week. He works in the darkroom until midnight, processing the negatives and re-touching them to eliminate warts, wrinkles and other unflattering features. "I don't rest," Bai says. "Even during festivals, I never close." Bai usually charges less than one yuan (50¢) for a portrait, undercutting prices at the state-run photographic studio on the street. After paying rent, salaries and buying supplies, Bai nets between 180 and 200 yuan (\$90 to \$100) a month. While hardly a princely sum, that is three times the average urban worker's salary. As Bai is quick to note, it is also higher than the wages of each of his three other brothers, a boilermaker, a security



Bai Shiming in front of his photo studio

guard and a storekeeper. Bai conspicuously enjoys being his own master. Says he: "We can work, or we can stop working."

The basic skills came from Bai's father, a photographer who was employed in a state-owned studio. Bai worked at odd jobs as a laborer and a painter until 1979, when the government began to encourage people to go into business for themselves. His assets were meager: some photographic equipment and furniture from the 1950s left to him by his father. But the state made things click by offering a three-year tax exemption. "I was nervous whether I could make money or not," Bai said. "People don't like to start things on their own." Although Bai initially feared that the leadership's enthusiasm for private enterprise might wane, he is convinced that it will not, at least for the time being. "I now firmly believe the policy is reliable," he says.

Bai attributes his success to lower prices, higher quality and his willingness to work long hours. To express his gratitude to the government for giving him the opportunity to launch his own business and improve his family's status, he joined the Communist Party last year. On the wall of his waiting room, he proudly displays the evidence of his success: a framed certificate of his designation by provincial authorities as a "model worker" and a carefully mounted photo of himself with hundreds of other young Chinese who attended a party meeting in Peking last summer. In the picture, Bai is seated near General Secretary Hu Yaobang. Says Bai: "I expressed thanks to Hu Yaobang on behalf of the people of the province."

Ever since Harbin's newspaper began to publish stories about him, Bai has become a local celebrity. He smiles ruefully as he describes how scores of young people have walked into his shop just to meet him. "Some ask me for advice," he says. "Some ask me to teach them, some show an interest in my life." Bai has also received more than 300 fan letters, including a few marriage proposals.

Despite his pride in being the first member of his family to achieve such success, Bai remains pessimistic about the future of free enterprise in China. He believes that while private ownership may be an immediate necessity, state control will provide more economic growth in the long run. "As a theory, private enterprise is opposed to Marxism," he explains. "But in China at this stage, we need all sorts of forms of production. As socialism develops toward Communism, my job will be less and less important." What will Bai do then? "With the development of bigger factories run by the state," he responds, "I can get a job there."

adolescence as Red Guards who looted stores, destroyed buildings and persecuted intellectuals, all in the name of Maoism. Only much later did they realize that they had been nothing but pawns in their leaders' power struggles. "We were scarred and disillusioned," recalls a 34-year-old former Red Guard who today works as an interpreter in a foreign bank in Peking. "After all the filthy politics and empty sloganeering, we had no lofty ideals left."

Even those who had no ideals to lose feel lost after three decades of watching the party line zigzag. *Yihua* (alienation) has become a fashionable buzzword on many campuses. "What kind of society do we have now?" is a catch phrase heard around the nation. Nor has the present government, with its constant revisions and fluctuations, helped answer that question. Earlier this month, the official party newspaper, the *People's Daily*, first denounced the "poisonous legacy" of the left, then deplored the "moral laxity" of the right. As yesterday's hero becomes today's reprobate and tomorrow a rehabilitated hero, many grow wary and weary of all ideology. "All these negations of the negation are naturally baffling to us," says a 56-year-old painter. "In the end, you ask, 'What do I believe in? What should I believe in?'"

These questions are raised most urgently by the persistent victims of the political flip-flops: the 20 million Chinese who by virtue of being educated are considered to be "intellectuals." Though the new regime is undoubtedly less merciless than Mao's, it has shown a frightening propensity for relapsing into violent bouts of puritanism and dogmatism.

In 1979 Deng released the country from the cultural straitjacket of the Mao era, admitting Shakespeare and Updike, Mickey Mouse and Muhammad Ali, the Beatles and the Boston Symphony. In the following year, however, he endorsed a brutal backlash. By 1981 leftist ideologues were publicly censuring playwright Bai Hua, who had dared to let one of his characters ask her father, "You love your motherland, but does she love you?" The following month, Bai was given a national award for his poetry by the Ministry of Culture. When Bai wrote another play last year, he took the precaution of setting it in the uncontroversial past. Sure enough, however, *King of Wu's Spear* and *King of Yue's Sword* was castigated for "attacking the present by explaining the past." Says another noted playwright: "The general attitude of intellectuals is wait and see. There are still gusts of wind. It will take time to cool down."

If the educated thinkers threaten the government with their novel ideas, the uneducated peasants alarm it with their abiding devotion to superstition. Last

spring the official press reported a chilling revival of gruesome rural rituals. Fathers were burning their families to death in the belief that they would thus earn a short cut to heaven; charlatans were posing as "emperors" in order to win sexual favors from credulous country women. An epidemic of public rites of exorcism led to a series of grisly deaths. In one notorious incident, Party Member Liu Wenxue enlisted a self-styled witch to exorcise his wife, who had just received hospital treatment for heart disease. The witch proceeded to puncture the woman's nose with a knife, string her up to the ceiling and jerk her neck with a whip. Four days later, the patient died. Liu received only a mild official reprimand.

Most alarming of all, peasants who believe the birth of a female child is a sign of divine disfavor have revived the practice of drowning baby girls at birth. They have indirectly been encouraged by the government's preference for single-child

ters that, on an average, were six times that size. Since living space has become the nation's most precious commodity, those who control housing permits and those in the construction business wield inordinate power. Numerous blocks of apartments have remained empty for months while different groups bickered over how to divide the spoils. Some officials have made a killing in the confusion. Zheng Suzhi, party secretary in Zhejiang province, blithely canceled more than \$200,000 in debts owed the state by some Hong Kong merchants, who had bought apartments in China. Zheng was rewarded by the beneficiaries with an invitation to Hong Kong and \$6,000 worth of electronic equipment. When his racket was exposed, Zheng received no punishment beyond "discipline within the party."

This kind of double standard has become especially glaring ever since the government launched an unprecedentedly severe crackdown on crime last summer.

Although 6,000 Chinese have been executed, high-level party leaders continue to escape prosecution, let alone imprisonment. "Is everybody really equal under the law?" asked the *People's Daily*. Earlier this year, the paper published the shocking story of Duan Yuanlai, former director of the Changde City Tobacco Plant. In 1969 he was charged with murder. A witness's false evidence won his acquittal. In 1978 he was charged with rape, but no action was taken when he adamantly denied the charge. In 1981 he was placed under investigation for corruption, but friendly officials refused to pursue the inquiry. The same thing happened two years later. Last year, after party leaders elected Duan a "model worker," he was caught raping another woman. Still nothing happened. Only when Peking's investigators discovered he had defrauded the state of more than \$13 million, was Duan finally arrested.

The man in the street has no such luck. He is watched more closely than even his comrade in Moscow. Much of the spying is conducted by unofficial, unobtrusive snoopers who belong to street committees, party-run groups formed to monitor local communities. These self-styled voyeurs and vigilantes, often middle-aged women, pry into such matters as whether a woman is illegally pregnant or whether a neighbor owns a cassette recorder (just in case the government chooses to make foreign tapes illegal). Officials of the Public Security Bureau, a national police force, can arrest a citizen at any time, using "administrative measures" that involve no lawyer, no court and no appeal.

One activity that leads to unpleasant



Farmers diligently reaping wheat in Yunnan province last November

Peasants now enjoy inducements to work hard, earn more and live well.

families. In Xiaogan county of Hubei province last year there were almost four times as many boys as girls under the age of three.

The success of the government's economic programs has also given rise to a clutch of unprecedented problems. So many curious visitors want to witness the economic miracle of Shenzhen firsthand that the government has had to erect a metal fence, complete with patrol road and sweeping arc lights, along the length of the zone's 54-mile border. Workers in the cities, whose \$40-a-month wage used to be twice as high as that of the average farmer, must now watch uneducated villagers take home \$400 a month. Jealous, or "red-eyed," party cadres vent their resentment against prosperous peasants by resorting to extortion or exploitation.

The greatest discrepancies are those that separate party officials from the common man. Millions of families in cities like Shanghai are squeezed into apartments of 90 sq. ft. or less. Yet a party survey last November revealed that some 21,000 party officials enjoyed living quar-

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China

investigation, and sometimes to forced relocation, is unauthorized contact with foreigners. Uniformed policemen armed with pistols stand guard over Peking's residential compounds for foreigners to keep unapproved Chinese visitors out. Observes Michel Oksenberg of the University of Michigan: "The previous totalitarian system under the domination of a single dictator is yielding to an authoritarian system with a collective leadership at the top. The instruments of totalitarian control have yet to be dismantled."

Six months ago, Deng launched what may be his final attempt to put his own mark, and some irreversible spin, on the history of China. Frankly admitting that it was "currently beset with many serious problems," the Communist Party leadership announced a three-year plan to review the ideological credentials of its 40 million members. The drive is designed in effect to purge the party of around a million unregenerate leftists, the majority of them ill-educated Maoists who have been desperately clinging to power.

The new "rectification" campaign requires all party members endure self-criticism, attend weekly study sessions and digest three volumes of prescribed readings. All, ironically, are techniques pioneered and perfected by Mao (who once declared, "Self-criticism is like eating dog-meat: if you haven't tried it, you don't know what you're missing"). But the reformers have taken care to avoid the mass rallies, shrill tirades and media fanfare of purges past. Says a Peking party functionary: "Deng doesn't want this to develop into a movement that will create chaos and instill fear."

For all its delicate handling, however, the campaign is sputtering. Much of China's leadership remains an immovable object of orthodoxy. The staunchest Maoist loyalists are within the 4.2 million-strong People's Liberation Army, whose upper ranks have become a stagnant gerontocracy. The youngest of the nine men on the Central Military Commission is 70, three of its four vice chairmen, like Chairman Deng, have passed their 80th birthday. Even the *People's Daily* has been moved to complain that "some of our leading cadres are like document-reading machines, speaking rather than acting and just sitting there unless they get a push from above."

But Deng is singularly adept at accommodating his opponents without ever letting them escape his control. In particular, he has deployed some deft dialectical sleight of hand to dismantle Maoism without entirely discrediting Mao. He can hardly afford to denounce the former

leader too vehemently: 50 years ago, after all, Deng was a participant in Mao's epochal Long March, and some 25 years ago he was helping Mao administer brutal punishment to hundreds of thousands of intellectuals. But since he assumed power, Deng has published his belief that "every Chinese knows that without Chairman Mao there would be no new China." At the same time, he has not restrained the official press from indicting the shaping hand of Chinese Communism for "subjectivity, one-sidedness, hauteur and lack of humility." Most cunning of all, Deng has stretched the procrustean bed of Maoism to fit his own needs. By adapting such Maoist phrases as "seeking truth from facts" and "the mass line" to his own purposes, he has given the impression that he has been more faithful to "the thought of Mao" than the Great Helmsman himself.



The Gate of Heavenly Peace supports a rare public portrait of Mao. Despite all the reforms, the only certainty in China is uncertainty.

Meanwhile, Deng has forced China out of the ethnocentricity developed over two millenniums of imperial supremacy and resuscitated by the almost religious xenophobia of Mao, while urging it to look outward for its economic models. "The Chinese have rediscovered that they are the center of the world," observes a Western diplomat in Peking. "They have put themselves in the position of being courted by everyone."

Most impressive has been the aplomb of Peking and its fresh, well-groomed teams of multilingual emissaries. China has succeeded in courting Pakistan without alienating India: it has wooed the moderate gulf states and also convinced the Palestine Liberation Organization that Peking alone understands its plight. Most important of all, China seems close to recovering sovereignty over the British colony of Hong Kong on its own terms. Last week, while visiting Peking for the twelfth round of talks, Foreign Secretary Sir Geoffrey Howe became the first British official to concede publicly that Britain will return the colony to China when its lease over the New Territories expires in 1997.

Remaining implacably nonaligned, China is happy to deal with all comers. This year it will boost its trade with the Soviet Union by 60%, yet receive \$600 million in foreign investment from the U.S. Its foreign trade will exceed \$40 billion, ten times as much as in 1968. To accommodate Western firms, Peking has passed new tax and patent laws. "We're talking megabucks," says a Washington official who has handled trade with China for several years. "American oil companies will be in China for the next 50 years."

But will the reformists? Only last month Deng told Japan's Prime Minister, Yasuhiro Nakasone, "In another five years, I don't expect to be alive." Adept at maneuvering behind the scenes (he has twice turned down the title of Premier), Deng has done everything possible to clear the way for his protégés. Eighteen months after he pledged his support to Mao's hand-picked successor as Chairman, Hua Guofeng, Deng replaced him with General Secretary Hu Yaobang and installed Zhao Ziyang as Premier. Now most experts agree that although the "open door" will continue to swing on its hinges, it has been open so wide for so long that even if the leftists could close it again, they would only lock in Deng's changes. Says a Western diplomat in Peking: "If you gave Deng a 20% chance of succeeding in 1978, you would give him an 85% chance now."

But for more than 2,500 years the only certainty in China has been uncertainty. Again and again the country has endured civil tumult, foreign invasion and the eternal vicious circle of flood, famine and disease. A century ago, the country was courting modernity and Western technology under the slogan "Chinese Learning for the Essence, Western Learning for the Application." Fifty years ago, Chiang Kai-shek and his Nationalist government were encouraging economic growth, scientific advancement and managerial expertise. Both drives proved short-lived. In settling old scores, the present regime may have established new conflicts. In addition, its fondness for what Nakasone calls "a process of trial and error" makes any prediction especially precarious.

At the dawn of the Cultural Revolution, Mao wrote to his wife that after his death the rightists would seize power. But he went on to assure her, leftists would soon take it back again. Deng and China have helped the first part of the prophecy to come true. For all their achievements, though, they know that the second part is by no means impossible.

—By Pico Iyer.
Reported by David Alkman and Jaime A. FlorCruz/Peking

World

BRITAIN

Libya's Ministry of Fear

Shots from a London embassy stir fury and lead to a break in relations

It was a bright spring morning in London's serene and elegant St. James's Square, and a political demonstration was taking place outside the Libyan embassy. Only about 70 opponents of Libyan Leader Muammar Gaddafi were on hand, chanting slogans like "Down with Gaddafi" and carrying placards declaring GADDAFI KILLS STUDENTS. Many of the demonstrators wore stocking caps and masks to conceal their identities, since they had good reason to fear retaliation by agents of the Libyan dictator. Also on hand were a score of pro-Gaddafi demonstrators. But London police had no difficulty keeping the two groups separate, and no one seemed particularly excited. Among the police on duty was Constable Yvonne Fletcher, 25, who stood facing the protesters, relaxed and smiling, with her hands clasped behind her back.

Suddenly, the crack of rapid gunfire split the air as bullets sprayed the crowd from an embassy window above. Thus began a crisis between Britain and Libya that, by Sunday, led to a rupture in diplomatic relations. Further heightening the tension during a tumultuous Easter week, a bomb of unknown origin exploded in a terminal at London's Heathrow Airport two days earlier, injuring 25 people.

Outside the Libyan embassy on Tuesday morning, spectators had noted the direction from which the hail of bullets had come. "Someone stuck a submachine gun out an upper window of the embassy and began to fire," said one eyewitness. "It was quite a short burst." Constable Fletcher immediately sank to the pavement, clutching her abdomen. Her fiancé, fellow Constable Michael Liddle, 24, tried desperately to reach her in the crowd. Everywhere, Arab demonstrators tumbled over one another as they dove for the pavement to escape the indiscriminate bullets. British bystanders who had been idly watching the demonstration seemed dazed by what had happened. Shouted a police officer: "That's a real live machine gun with real live bullets. Get the hell out of the square and do it now!"

Within moments the square, tucked between the stuffy clubs of Pall Mall and the glossy arcades of Piccadilly, had been transformed into a scene of terror. Eleven people were hit by the machine-gun fire, and fell like stones. A police marksman in a pale blue flak jacket leaped over a patch of daffodils, wielding a

rifle equipped with a special sniper sight. Overhead, a police helicopter circled noisily in the Wedgwood sky. Office workers scrambled across roofs and down fire escapes to safety. Sirens screamed as ambulances picked up the wounded and sped them to Westminster Hospital for emergency treatment. It was there, as surgeons fought to save her life, that the young policeman died.



One of the most curious aspects of the shooting was that it had been captured on film by two British TV crews on assignment for Libyan Television. The only Libyan journalist involved was in the embassy at the time of the bloodshed. Identified as Saleh Najim, a correspondent with the Libyan news agency in London, he later emerged from the embassy, was detained overnight by police and then was released. It seemed very odd that Libyan Television had engaged two film crews to record an anti-Gaddafi demonstration in London. Though nobody could prove it, some experts on Libyan affairs suspected that the real purpose of the filming might have been to record what happens to Libyan citizens overseas when they have the bad judgment to stage a demonstration against the government of Colonel Gaddafi. For four years now, the Gaddafi government has committed a series of assassinations of Libyan nationals in at least four European cities. Last week's attack was the latest and the most brazen.

From the beginning, the British government was caught in a bizarre dilemma. It lacked the legal right to invade the embassy, which under international law is recognized as Libyan territory. In 1979 the embassy was taken over by a group of students, apparently with Gaddafi's blessing, and ever since has been known as the "Libyan People's Bureau." Two months ago, it was seized by another group, known as the "Libyan Revolutionary Students Force," again apparently with Gaddafi's approval. The result of this peculiar manifestation of Libyan diplomacy was that the British Foreign Office did not even know last week who was officially representing Libya in the United Kingdom. It was assumed that there were about 20 people in the embassy who could be said to have diplomatic immunity, but there were an unknown number of other people who were there unofficially. As of last week, the British had no way of knowing who fired the shots that killed Yvonne Fletcher.

The larger problem for the government of Prime Minister Margaret Thatcher, who was off on a state visit to Portugal when the shooting took place, was the presence of some 8,500 Britons in Libya. The British embassy in Tripoli was quickly surrounded by a mob of angry Libyans, and Ambassador Oliver Miles had difficulty getting out so that he could negotiate with Libyan officials. As might have



British police aid mortally wounded Constable Yvonne Fletcher outside the Libyan embassy



Police erect giant screen to seal off the embassy and, below, place marksmen on nearby terrace



been expected, Gaddafi claimed that the British police must be blamed for the whole affair. He said that the Libyans were sorry about the death of the policeman, but continued, "It was not our fault. We did not do it. Your police know who did it, and to say that the shooting was from the bureau building is a lie—a total lie." He added, "Our people are very, very angry. We hope we can control the situation."

The first sign of impending trouble had reached the British government Monday evening, the night before the shooting. Two members of the Libyan embassy staff in London visited the Foreign Office and asked to see Sir Geoffrey Howe, the Foreign Secretary, who was in Peking at the time. The Libyans instead left their message with his subordinates. The anti-Gaddafi demonstration scheduled for the next day, they said, must not be allowed to take place. The Home Secretary, Leon Brittan, decided later that the government should not interfere, though he bolstered the police detachment on duty at St. James's Square. As it turned out, a U.S. intelligence satellite intercepted a telephone message from the Gaddafi government to its London representatives ordering them not to react "passively" to the forthcoming demonstration. But this information did not reach the British government until it was too late.

The first reaction to the shooting was outrage. Declared Home Secretary Brittan: "This unprovoked and barbaric onslaught is intolerable." That sentiment was echoed in many Western capitals. In Washington, the State Department called the Libyan action "absolutely scandalous." Secretary of State George Shultz criticized Gaddafi's behavior as "out of bounds" and characterized Libya as "a troublemaker in the world." In Egypt, which has its own complaints against its radical next-door neighbor, the semiofficial newspaper *al-Ahram* described Gaddafi as "a sick terrorist" obsessed with "satanic games."

But in London, official anger soon gave way to a realization that the crisis would require some careful and, perhaps, protracted diplomacy. Lines of communication were quickly set up between police negotiators and the Libyans inside the embassy. Police assured the Libyans that there was no plan to storm the building, as the British had done in 1980 to free hostages held at the Iranian embassy. On that occasion, the British pointed out to the Libyans, they had acted at the request of the Iranian government. On the first day of last week's standoff, British authorities sent sandwiches, lemonade and cigarettes to the Libyans inside. Next day a more elaborate lunch was delivered by an Arab diplomat, who continued to serve throughout the week as both a food-bearer and a negotiator.

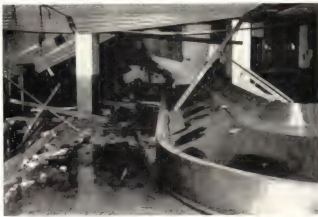
As a first step toward a solution, the British government asked Muflih Fitouri, who had been a diplomat at the Libyan

World

embassy before it was taken over two months ago by the more recent group of student extremists, to come to the Foreign Office. There he met with Minister of State Richard Luce, who expressed his government's outrage over the killing of Constable Fletcher. Luce repeated the British demand that the Libyan embassy be vacated temporarily and that the British be allowed to search the premises for arms and explosives. Some reports suggested that the British also offered safe conduct out of the country for all embassy occupants. At the same time, Libyan observers hinted that Gaddafi

might permit the surrender of the person or persons who fired the machine gun but that he would not consent to a search of the embassy. On Thursday, the British embassy in Tripoli was again surrounded by hundreds of government-backed demonstrators, and tempers were growing short. In London, when asked whether it was "fair to say that negotiations are making progress," a Foreign Office spokesman snapped, "It is fair to say nothing about the discussions."

As the Easter weekend began, the British government continued to exchange proposals with the mercurial Gadda-



Bomb-damaged baggage-carrousel area at London's Heathrow Airport

dafi. Thatcher had returned from Portugal and was being briefed on the situation by Britan Friday evening when news arrived of the explosion at Heathrow Airport. The bomb had ripped through a baggage-carrousel area in the terminal that serves Europe and North Africa. Most of the injured were arriving passengers who were waiting for their luggage. Of the 25 who were taken to a hospital for treatment, only one was seriously hurt. Authorities immediately sealed off the airport, creating a traffic nightmare for holiday travelers. An anarchist group called the "Angry Brigade" claimed re-

sponsibility for the bombing, but officials did not take its word seriously. The British government has a number of enemies, including the Irish Republican Army, that could have been responsible. For obvious reasons, Libyans were also among the suspects. But as an airport spokesman pointed out, the bomb "could have been planted here, or it could have come in with luggage from a multitude of destinations."

On Sunday, Minister of State Luce announced that because Libya's response to the British demands had been "wholly inadequate" Britain would break diplomatic relations with Libya immediately; London set a deadline of midnight on April 29 for all Libyans in the embassy to leave the country. It was a difficult step for the British to take, since it would presumably mean freedom for Yvonne Fletcher's killer. But the Thatcher government realized, obviously with regret, that it had little chance of convicting a man who had had plenty of time to destroy any incriminating evidence and in any case could probably claim diplomatic immunity from prosecution. —By William E. Smith, Reported by

Bonnie Angelo and Frank Melville/London

ISRAEL

Grave Doubts

How did the hijackers die?

The initial accounts were tragically straightforward. Two weeks ago, four Arab men hijacked a bus south of Tel Aviv. Their demand: free 25 Palestinians being held in Israeli jails or else the vehicle and its 39 passengers would be blown up. Then followed a tense, almost ten-hour standoff. Dozens of soldiers ringed the bus; inside, one of the terrorists could be seen holding a grenade launcher. Finally, at 4:45 a.m., Israeli commandos rushed the bus. Two terrorists were killed instantly, and the other two died of their wounds on the way to the hospital. One passenger died and seven were injured in the crossfire. Another grim episode of terrorism, so depressingly familiar to all Israelis, appeared to be at an end.

As it turns out, however, some details remain unclear. There is no doubt that two of the terrorists were killed during the retaking of the bus; photographs of them, one slumped in the driver's seat and the other in the back row, were flashed around the world. But disturbing questions are being asked in Israel about how badly wounded the other two Arabs really were and about the circumstances of their deaths. Defense Minister Moshe Arens,

who personally directed the rescue operation, is considering whether to hold an official inquiry.

The troubling questions were sparked by pictures taken at the scene by two Israeli newspaper photographers, Alex Libak of *Hadashot* and Shmuel Rachmani of *Ma'ariv*. Libak's photograph shows a young man, handcuffed and looking uninjured, being led away from the bus by a pair of security officials dressed in civilian clothes. Rachmani's photograph shows another young man, head down and with a small trace of blood on his face, being

One of the terrorists killed during the raid



husted away by an Israeli brigadier general and two uniformed soldiers.

Israeli military censors have banned the publication of both pictures. But *Hadashot* Editor Yossi Klein took Libak's photograph to Benny Shuiel, a village in the Israeli-occupied Gaza Strip from which the terrorists came. Identified and neighbors immediately identified the handcuffed man in the picture as Majid Abu-Gumaa, one of the four terrorists. On the other hand, Klein also showed the photo to the bus driver and four passengers; all five said that the man was not one of the terrorists. "I can't say the matter is clear-cut either way," Klein told *TIME* Jerusalem Correspondent David Halevy.

Abu-Gumaa's relatives contend that the picture proves that Abu-Gumaa was in relatively good shape when he was captured, which would imply he was killed later by the Israelis. The official statements have done little to dispel the mystery. The first announcement, coming about an hour after the commando raid, did not mention the terrorists at all, while the second statement eight hours later simply said all four had been killed. It was not until the next day that an Israeli army spokesman stated that "two terrorists were killed when our forces broke into the bus. The other two died later, on the way to the hospital." It is the last sentence that leaves so many Israelis wanting to know more. ■

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World

ZIMBABWE

Terror in Matabeleland

First chickens, then goats, then children

The report from Zimbabwe's Bishops' Conference, an organization of Roman Catholic churchmen, was not pleasant reading for Prime Minister Robert Mugabe. It accused the Zimbabwe army of waging a campaign of terror in parts of Matabeleland province, into which government troops had been sent in January to flush out antigovernment rebels. The bishops charged that physical brutality was commonplace against the area's 450,000 inhabitants. "People are beaten up on the mere suspicion that they are helping dissidents or when they say they do not know anything about dissidents," said the report. It charged that army commanders had adopted a "policy of starvation," telling villagers that they "would first have to eat their chickens, then their goats, then their cattle and then their own children."

The bishops' charges echoed other reports in recent months. Refugees who fled into neighboring Botswana told of beatings, rape and torture by government forces, and of villagers being denied food supplies as a result of a stringent 18-hour curfew and a ban on transport in and out of the region. The bishops' report, which was given to the government two weeks before it was released publicly last week, stung the Prime Minister. Mugabe, 60, who was brought up a Catholic and educated at the Catholic Kutama Mission, wished the churchmen "success in their prayers," but declared that "the task of running the country belongs to the government."

At Independence Day ceremonies on the fourth anniversary of Zimbabwe's nationhood last week, Mugabe defended his government's policies in Matabeleland. "We have built more roads, schools, clinics and boreholes in that area than we have anywhere else in the country," he said. As for the government campaign against the rebels, he declared that the situation "has been brought under control." The curfew has been cut back to the period from dusk to dawn, and buses and private transportation are once again permitted. President Canaan Banana, who is a member of the Matabele tribe, assured Zimbabweans that the curfew that still existed in some parts of the province would "not last a day longer than necessary."

The troubled territory has been a problem off and on since the country achieved independence in 1980, when rivalry between the two former guerrilla confederates, Mugabe and Joshua Nkomo, broke into virtual tribal warfare. Matabeleland is the homeland of the Matabele tribe and of Nkomo, and Mugabe's



Elite Fifth Brigade at airport ceremony



Robert Mugabe

Joshua Nkomo

Tribal warfare between former allies.

victory in the nationwide elections moved many of Nkomo's supporters to become rebellious. Nkomo himself was sacked from the Cabinet two years ago, after he was accused of plotting to overthrow the government. The territory is also plagued by armed bandits who kill as well as plunder. Over the past two years, dozens of white farmers have been murdered. At least 75 people were murdered by anti-government terrorists in the last half of 1983. In March, saboteurs blew up the country's main power station at Hwange, causing nationwide electricity shortages.

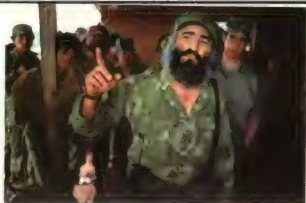
Zimbabwe's Home Affairs Minister, Simbi Mubako, has repeatedly charged that South Africa has been supplying the rebels with bases, weapons and funds. Mugabe also blames Nkomo for failing to condemn the violence by his supporters.

But every time government troops have been sent into the province, there have been charges that the army was as bad as or worse than the dissidents. A special combat unit, the Fifth Brigade, acquired an especially notorious reputation. Last year, however, their North Korean advisers returned home, and a resident British military unit took over advanced training of the Fifth Brigade. When the troops returned to Matabeleland early this year after a rise in dissident activity, he warned them to practice "humanity and humility." But soon there were new charges of brutality.

The charges have been difficult to verify, since foreign journalists have been barred from the troubled area and the local press is government controlled. Reporters have had to rely on sporadic accounts by refugees and occasional covert excursions into the curfew area to talk to locals. A Western diplomat told *TIME* last week that the British press reports had exaggerated the stories of killings and massacres in the territory. He said there had been a few hundred deaths as a result of army atrocities in recent months, but not the thousands some have alleged.

Those reports have angered Mugabe, who is concerned that they are frightening away much needed investment. The country is undergoing difficult economic times. A severe drought, now in its third year, has crippled agriculture and caused widespread hunger in the region. Formerly one of the continent's exporters of food, Zimbabwe has used up all its stockpiles and this year will be forced to import 700,000 tons of corn. The shortages are aggravated by the presence of some 150,000 refugees from neighboring Mozambique who have crossed into Zimbabwe in search of food. To alleviate the country's economic woes, Mugabe's government has imposed strict new austerity measures. In an effort to cut foreign exchange and balance of payments deficits, almost all forms of currency payments abroad have been halted. Still, the country has a good agricultural base and is expected to recover once the rains resume.

The nagging problems of internal strife may not be resolved so easily. At a gathering of local editors in Harare last week, the Prime Minister hinted that he might impose even tighter restrictions on foreign journalists, whom he charged with a campaign to discredit his government. "It is far from being as ugly as they portray it," he said. "Zimbabwe will never die because the *Observer*, the *Daily Telegraph*, the *Times* of London and the *New York Times* continue to report unfavorably about us. We continue to make progress and to use whatever means are within our boundaries to survive as a nation." —By Marguerite Johnson. Reported by Marsh Clark/Dukwe, Botswana



Pastora addressing his men and prisoners in San Juan del Norte



The commander's forces firing at Sandinista planes near the town

CENTRAL AMERICA

"Zero" Scores One

A success at the contras' southern front

Forty weatherbeaten shacks and a grassy airstrip by a swampy river delta may not seem like much of a military stronghold. But in the year-old guerrilla war along Nicaragua's southern border with Costa Rica, the jungle hamlet of San Juan del Norte has taken on a symbolic importance well beyond its dubious strategic value. After three days of pitched battle two weeks ago, *contra* guerrillas from the Democratic Revolutionary Alliance (ARDE) overwhelmed the Sandinista garrison in the town and scored their first major military victory. After a few uneasy days of quiet, Nicaraguan troops counterattacked last week. As several hundred soldiers advanced, planes and helicopters swooped down and bombed the town. The guerrillas

quickly slipped back into the jungle, leaving the smoking remains of San Juan del Norte to be reclaimed by the Sandinistas.

The fall and recapture of San Juan del Norte are not so much military struggle as they are psychological warfare. Before the battle, fighting on Nicaragua's southern front had seemed little more than the personal crusade of Eden Pastora Gómez, 47. The charismatic "Commander Zero" of the Sandinista revolution, Pastora went into exile in 1981 when he became disillusioned with the growing Soviet and Cuban influence in Nicaragua. Within months the fortunes of Nicaragua had reached such a low point that his financially strapped army moved into Costa Rican refugee camps. Critics joked that the "zero" in his

title stood for the number of battles he had fought. After taking San Juan del Norte, the bearded commander could finally add some bite to his bluster. As Pastora told TIME, "San Juan del Norte means more than a beachhead to us. It represents the weapons that will now come to us because we have convinced many democratic governments that ARDE is on the road to victory." The retaking of the town by the Sandinistas did not faze Pastora, since he never believed he could hold on to the territory indefinitely. The initial victory made his point. "You don't think I'm so stupid as to stay there and wait for them [the Sandinista attackers], do you?" Pastora said last week after his retreat.

What Pastora did not say is that ARDE's new-found muscle is largely due to help that he is receiving through CIA channels. The *contra* commander had long refused, publicly at least, to accept American "conditions" for aid. But last November he traveled to Washington and

Flying the Unfriendly Skies

Buried in the jungle-covered Honduran mountains ten miles north of the Salvadoran border, the refugee camp at Colomoncagua is not exactly on the beaten track. But in recent months, as the population of Salvadoran refugees has grown to more than 8,000, it has become an obligatory stop for visiting U.S. Congressmen wanting to see how U.S. aid is being administered there. So when a delegation from the Senate Budget and Appropriations committees arrived in Honduras last Wednesday, the camp was naturally on their itinerary. Senators J. Bennett Johnston (D., La.) and Lawton Chiles (D., Fla.), seven other passengers and six crew members boarded two unarmed UH-1H helicopters at a Honduran air force base; Johnston and Chiles rode in the same vehicle. But as they approached Colomoncagua, their carefully scripted tour rapidly went awry.

Hovering 1,000 ft. in the air, the first helicopter took gunfire. "It was like gravel raining on a pan," said Johnston. The pilot tried to maneuver away from the barrage, but could not. One bullet destroyed the helicopter radio. Another tore

through the floor and exited through the roof, narrowly missing Chiles and clipping one of the rotor blades. Since the gunfire made an immediate landing impossible, the pilot carefully veered the crippled helicopter back to an army base. The second helicopter had also come under fire, but was not hit.

Salvadoran rebels immediately took responsibility for the gunfire. The two helicopters, they claimed, were on a reconnaissance mission and had violated airspace in the border region they control. Chiles later said that the helicopter may have flown too close to the border and may even have crossed to the Salvadoran side. But State Department officials were convinced that the aircraft never left Honduras. The helicopters were too far from the border, they maintained, to be reached by gunfire from the Salvadoran side. The State Department's conclusion: the shots came from the Salvadoran guerrillas, all right, but they must have been inside Honduran territory.

In a similar incident last week along the West German-Czechoslovak border, U.S. officials were less confident. A U.S. Army Huey Cobra on an observation mission there was the target of rocket and cannon fire from a MiG warplane of "unknown nationality."



A U.S. colonel points to one of the bullet holes

World

HIGH SEAS

Big Bill for a Big Spill

Amoco may have to pay \$2 billion in damages

since then, food and uniforms are no longer in short supply, and ARDE has even built up a small air fleet of three used helicopters and eight light planes. Pastora insists that he made no deals with the "gringos" and that the funds for the equipment come from private donors in Miami, Panama and Colombia. But he wryly adds, "If the CIA goes to them to contribute, what am I going to say?"

Other ARDE officers openly boast of their U.S. connection. Among the benefits they claim: C-140 transport planes airlifting in supplies. The guerrilla leaders also boast that ARDE has received CIA support from the sea. Pastora is evasive on the subject of the offshore fire during the battle for San Juan del Norte. Last week he took personal responsibility for the attack, claiming that mortar canister shells were fired from two fiber-glass speedboats. But he has also offered the contradictory explanation that three CIA boats were involved, a suggestion that at other times he has denied.

Little else goes on in the guerrilla organization without Pastora's knowledge. The ARDE commander dominates his jungle domain, passing on commands to his 4,500 to 5,000 soldiers over a single radio channel. After the raid on San Juan del Norte, he personally oversaw the political indoctrination of captured Sandinista soldiers. He read to the 57 militiamen selected passages from a glowing biography. The title: *Eden Pastora: A Life in Search of Liberty*.

Pastora has won few allies in the Nicaraguan Democratic Front (F.D.N.), the *contra* coalition operating out of Honduras that has received by far the largest share of U.S. aid. Charging that the F.D.N. is made up essentially of former National Guardsmen in camouflage cloth, Pastora says that he still intends to open his own front in the north. He charges that the F.D.N. and the Honduran authorities have arrested at least 27 men he sent north on recruiting missions. Says Pastora: "If we had one-half the help the F.D.N. gets, we would be laying siege to Managua."

Last week, meanwhile, Washington was embroiled in a battle of its own with Managua after it turned down the nomination of Nora Astorga as Nicaraguan ambassador. Astorga, 37, had been involved in the 1978 murder of a National Guard officer believed to have had links to the CIA.

As the war on the southern front enters a new phase, U.S. officials continue to insist that they have no other aim in helping the *contras* than to force the Sandinistas to make a "reasonable accommodation." That is not what Pastora, or the F.D.N., seems to have in mind. Still, with little to unite them and nothing approaching a program to guide them, the *contras* seem destined to oppose the Sandinistas as a foreign-funded guerrilla army rather than a true political threat.

—By John Kohan.

Reported by William McWhirter with Pastora

When the supertanker *Amoco Cadiz* lost control of its rudder and ran aground off the Brittany coast of France on the night of March 16, 1978, the result was history's biggest oil-tanker spill as well as the most costly maritime accident ever. The \$15 million ship and its \$24 million cargo of Middle Eastern crude were lost in the icy waters. In addition, the 68 million gal. of oil created a slick 18 miles wide and 80 miles long and polluted 130 miles of the scenic French coast, raising the cries of environmentalists around the world. Last week a federal district judge in Chicago ruled that Standard Oil Co. (Indiana), better known as Amoco, and

treaty, Amoco would have had to pay no more than \$17 million. But Judge McGarr ruled that a ship owner can be liable for a much higher amount if negligence is involved. The actual level of Amoco's damages will be determined at a separate hearing that will begin on May 31, but the company's lawyers optimistically believe they will not exceed \$150 million.

In Paris, French Environment Secretary Huguette Bouchardeau welcomed the decision. Said she: "There will be reparation for the damage suffered by the Bretons, local communities and by France. That is justice." Declared Charles Josselin, a Socialist Party official from the Côtes du



The sinking of the *Amoco Cadiz* off the coast of Brittany in 1978 left an 80-mile-long oil slick.

"An incredible international can of worms" after history's most costly maritime accident.

two subsidiaries that operated the tanker are liable for most of the damages caused by the spill. Their eventual bill could reach nearly \$2 billion.

The ruling by Judge Frank J. McGarr came in a lawsuit filed four years ago by nearly 100 claimants, including 76 Brittany communities, hotel owners and fishermen. Said one lawyer: "This is an incredible international can of worms. Not only are facts in dispute, but you're dealing with French, American, Spanish, Liberian, West German, and Bermudian entities." The judge found that Amoco had been negligent "with respect to the design, operation, maintenance, repair and crew training" of the tanker. He also blamed the ship's Spanish builder, Astilleros Españoles, for the design and construction of the faulty steering gear.

The four-month trial was the first major case conducted under an international treaty that sets civil liability for oil-pollution damage. Forty nations signed the agreement after the 1967 *Torrey Canyon* oil spill off the British coast. Under the

Nord region, one of the most heavily damaged areas: "We now know that the guilty parties will pay. Those who are really responsible have been convicted."

The spill resulted in damages and cleanup expenses that cost the French as much as \$95 million. Local communities suffered losses of an additional \$30 million. About 6,000 volunteers, aided by French soldiers, skimmed, scooped and sucked up 25,000 tons of crude from beaches, rocks and harbor floors. Nonetheless, some 10,000 shore birds died from the effects of the spill, and some 5,000 tons of contaminated oysters had to be destroyed in 1978.

By now, most evidence of the accident has disappeared. The coastline is clean and the shore birds have returned. Production of marketable oysters resumed in 1981. Scientists say that natural processes such as waves and tides dispersed much of the pollutant and that bacteria broke down some of the crude. An estimated 18,000 tons of oil deposited on the sea floor have all but vanished. After last week's decision, however, it may take Amoco a lot longer to recover. ■

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Families at the Front
A Union soldier on campaign poses with his family. You'll see many pictures that reveal in detail how the war was waged. Photo: U.S. Army/Mt. Hist. Inst.



The Gray Ghost
Colonel John S. Mosby and his band of guerrillas rode rings around 40,000 Union troops defending Washington—eventually spiraling a Northern general off in his hamilton suit.



The Weapons
The war spurred such innovations as the model 1863 Gatling gun (top), submarines and reconnaissance balloons. The barrel of this smoothbore 6-pounder (bottom) was rifled for extra accuracy and range.



Pickett's Charge, Gettysburg
Pennsylvania Hist. & Museum Col.

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Economy & Business

The Search for Shelter

Prospects of rising interest rates create confusion in the housing market

Is American home buying about to rise through the roof, or will it collapse and crash through the floor? That question is vexing builders, bankers and home buyers this spring as the prime house-hunting season gets under way. Indeed, the U.S. housing market suddenly seems to be a mass of confusing and conflicting signs.

Last week the Government revealed that March housing starts had taken the sharpest drop (26.6%) since records began to be kept in 1959. That disclosure, which put new construction for the month at an annual rate of 1.6 million units, dashed hopes that a major housing boom might be at hand. Such a surge had seemed possible just a month ago on the strength of news that February home starts were at a 2.2 million annual pace, the briskiest in eleven years.

More mixed economic signals appeared last week. One day after reporting that personal income rose a scant .5% in March, the Government announced that the gross national product grew by an astonishing 8.3% in the first quarter of 1984. That was far above the Commerce Department's 7.2% preliminary estimate, and stunningly higher than the 5%-to-6% forecast for growth that most private economists had made. The gain in the G.N.P. was due primarily to higher inventories, a continuation of vigorous consumer spending and a hefty boost in federal farm subsidies.

The stronger-than-expected growth

again raised fears of higher interest rates. Concern about the cost of money has in fact been a major influence on the housing market lately. Many consumers are rushing to buy because they think mortgage rates are going up. "I knew higher interest rates were on the way," recalls Donald Brooke, 37, a Chicago chemical engineer who last month bought a \$100,000 home. "Originally I was going to wait before making a commitment, but this seemed the time to buy before costs got too high."

Steeper interest rates could bring the entire housing industry to a halt. The cost of a conventional, fixed-rate mortgage has been edging up: such loans averaged about 13.85% in March, compared with 13.69% a month earlier. Each percentage-point boost in mortgage prices knocks about 2.5 million potential buyers out of the housing market. Above a rate of 14%, moreover, only about one family in six can qualify for a mortgage. Says Ken Kerin, vice president for economics and research of the National Association of Realtors: "Our greatest fear is another notch up in mortgage rates. If they go up another three-quarters of a percentage point, we could repeat the experience of 1981 and 1982 and end up with a housing crunch."

Construction companies also have been fretting about the outlook. An April survey of the National Association of Home Builders found that members fear that business will worsen in coming

months. It was the first sign of pessimism in two years. "Change is in the wind," says Michael Sumichrast, chief economist for the organization of 40,000 builders.

Wall Street shares that wary view. "Many housing stocks have not looked good from a growth and investment standpoint," says Dean Witter Analyst Alan Wapnick. "They've really gotten hammered." For example, the share price of U.S. Home, the largest American homebuilder, is down more than 60% from its 52-week high of 20 3/4 last May. An important reason for the decline, says Wapnick, is the prospect of higher interest rates.

So far, though, many consumers have been able to duck some of the high cost of money by taking out adjustable-rate mortgages from builders and lenders. Such loans, which typically are made at 2 to 2.5 percentage points below the interest on fixed-rate mortgages and begin to rise after a year, now account for an estimated 60% of all home lending. Notes Robert Adelizzi, president of San Diego-based Home Federal Savings & Loan: "As many as 200,000 U.S. families last year were able to get into housing that they would not have been able to afford without adjustable-rate mortgages."

Among those who have taken advantage of the reduced initial borrowing costs are Michael and Cheryl Petryni, who re-



Priced to sell: units range from \$49,950 to \$66,950 in this Bakersfield, Calif., project. A couple examine the offerings in Sacramento

cently bought a \$161,000, three-bedroom suburban Los Angeles home. Their loan carries a first-year interest rate of 10¼% and has a cap that will keep the rate from rising above 15¼%. Says Michael Petryni, 36, a screenwriter: "I studied the adjustable mortgages at seven different lending institutions, and after a while they all started to sound the same."

Critics charge that adjustable loans could lead to a wave of defaults. While some borrowers may have little trouble keeping up with the rising interest costs, others could find their budgets severely strained. "Many of these mortgages seem to be ticking time bombs," says Irwin Kellner, chief economist for Manufacturers Hanover. "They could start exploding in the face of homeowners and lenders alike."

Nevertheless, increasing numbers of buyers seem willing to take the risk. The children born during the postwar baby boom are establishing families, and they want shelter. Some 40 million Americans are now 25 to 34, up 70% from 1947. Young first-time buyers accounted for nearly 40% of last year's housing market, compared with just 13.5% in 1981. The newcomers helped push the 1983 housing-start rate to 1.7 million homes, compared with an anemic 1.06 million level in 1982, and thus can claim some credit for last year's vigorous homebuilding turnaround.

Young buyers find, however, that they frequently must settle for tight accommodations. With the median cost of a new home now \$79,500, up 7.7% from a year ago, an affordable starter house may turn out to be little larger than a roomy cabin. In Hudson, N.H., eager buyers have been plunking down \$60,000 for two-bedroom town-house units that Builder John Stabile has packed into 1,050 sq. ft., or about half the size of a singles tennis court. On the outskirts of Southern California's San Fernando Valley, \$90,000 can buy a Kaufman & Broad two-bedroom, 1,000-sq.-ft. single-family

home. For the Los Angeles area, that price is cheap.

To make small houses feel larger, builders and architects have been using some design legerdemain. They are frequently eliminating entry halls and fireplaces, for example, and making liberal use of vaulted ceilings, skylights and floor-to-ceiling mirrors, which give a sense of space. Some are adding such details as sculptured wall niches and extra display space for plants or baskets.

Housing styles are undergoing change to meet the desires of the new first-time buyers. Many builders are turning from town houses and condominiums to single-family homes. "The marketplace is asking for detached houses," says Santa Barbara Architect Barry Berkus, who has designed units throughout the U.S. "In some areas they are as narrow as 25 feet, but families want privacy and outdoor space." To provide the space yet keep total costs down, builders are offering two-story Victorian-type models that take less land than the traditional one-story ranch and split-level homes and have the added advantage of being cheaper to heat.

But not all new homes are elegantly styled boxes. Chatham Homes in Atlanta sells custom-designed units that range from \$150,000 to \$600,000 for a six-bedroom home with a swimming pool and a three-car garage. Says President David Chatham: "The luxury market has been extremely strong."

Housing watchers have been noticing another important trend among many of today's home buyers. Instead of trading up to larger homes as often as they switch cars, consumers are staying put. Even in California, where feverishly rising prices made homes a lucrative investment during the late 1970s, purchasers are now thinking more about settling down. Says Stephen Shapiro of Stan Herman Realty in Beverly Hills: "We're back to an emo-

tional buyer, someone who really wants to live in the house."

To be sure, housing demand varies from region to region, and even between cities in the same state. In Houston, which is suffering from the downturn in the energy business, thousands of homes remain vacant and unsold. "Houston is the No. 1 loser city in the U.S.," says Kenneth Rosen, chairman of the Center for Real Estate and Urban Economics at the University of California at Berkeley. Booming Dallas, on the other hand, has been a refuge for Houston construction firms. Notes Phil Jobe, president of the Dallas Home and Apartment Builders Association: "Our membership has gone up by more than 300 firms since November. People come up from Houston, look at the strength of our market, and open up an office."

For now, at least, builders and other experts expect 1984 housing starts to be comparable to the 1.7 million rate recorded last year. That would be strong by recent standards but far below the record of 2.4 million reached in 1972. "We have seen as much of a housing boom as we're going to get," says Kerin of the National Association of Realtors. Concur Malcolm Prine, chairman of Pittsburgh-based Ryan Homes, a major U.S. builder: "We'll look back on 1984 as roughly equivalent to 1983. It will be a platform year, either leading to a prosperous period for the next five years or declining into a relatively severe recession."

The chief obstacle to prosperity, Prine and others agree, is the federal deficit, which is expected to come to about \$180 billion this year. The heavy federal borrowing needed to finance that deficit is certain to keep pressure on interest rates and the home-buying market. A meaningful reduction in the deficit, by contrast, could lay the foundation for a genuine housing boom.

—By John Greenwald,
Reported by Gisela Botte/Washington and
Laura Moyers/Los Angeles

Taxing the Rich or the Poor?

Supply-siders say the wealthy carry more of the load than before

Democratic presidential candidates have repeatedly charged that Reaganomics is a windfall for the wealthy. Jesse Jackson called the President's program a "reverse Robin Hood process, taking from the poor and giving to the rich." Walter Mondale said that the Reagan Administration was "of the rich, by the rich and for the rich." The Democrats received some ammunition this month from the nonpartisan Congressional Budget Office in a report that compared the size of tax cuts gained by different income groups. From 1983 through 1985, the CBO estimated, the 1.4 million households with incomes of \$80,000 or more will receive

prediction of supply-side economics."

Supply-siders point out that the amount of tax paid by the rich jumped after Presidents Harding and Coolidge cut tax rates in the 1920s and after Kennedy and Johnson did so in the early 1960s. Between 1963 and 1965 the maximum tax rate dropped from 91% to 70%, but revenues from households with incomes of \$100,000 or more rose from \$2.5 billion to \$3.8 billion. The percentage of taxes paid by the 5% of taxpayers with the highest incomes increased from 35.6% to 38.5%. Observes Roberts: "This has always happened in our history."

It may already be happening under



I would remind you, the power to tax is the power to destroy!

income tax reductions totaling \$35.4 billion, while the more than 40 million households that earn \$20,000 or less will get cuts worth only \$23.4 billion.

The figures have spawned protests from supporters of the Reagan tax cuts, including such leading supply-side theorists as Paul Craig Roberts, an economics professor at Georgetown University, and George Gilder, author of *Wealth and Poverty* and program director of the Manhattan Institute for Policy Research. They argue that the CBO figures are merely projections based on standard economic models and do not take into account the impact that tax cuts will have on the investment strategies of the wealthy. With tax rates reduced, the supply-siders say, the rich will move away from tax shelters and channel more of their money into conventional investments. As a result, the taxable income of the wealthy should rise, and they may wind up paying more to Uncle Sam than they did before tax rates were slashed. Says Gilder: "This is the most confident short-term

Reagan. The *Wall Street Journal*, which has long been an advocate of supply-side economics, published on its editorial page a table showing how the share of taxes paid by different income groups shifted between 1981 and 1982, the first full year following the reduction in the top tax rate on investment income from 70% to 50%. Compiled from U.S. Treasury statistics, the table revealed that the percentage of income tax collected from taxpayers earning \$50,000 or more rose from 32.9% to 35.4%. At the same time, the share paid by those making \$20,000 or less fell from 17.1% to 15.5%.

Liberals like Robert McIntyre of Citizens for Tax Justice, a Washington public interest group, attacked the *Wall Street Journal* editorial. Two factors, they say, accounted for the shift in the tax burden, both of which had nothing to do with supply-side economics. First, inflation pushed many people into the \$50,000-and-up bracket. Second, 1982 was a recession year, and unemployment reduced the earning power and taxes paid by low- and

middle-income groups. Says Barry Bosworth, a senior fellow of the Brookings Institution in Washington: "If you looked at other recession years, you'd see the same phenomenon. It has little to do with the tax cuts, and the figures are misleading."

Not so, says Manuel Johnson, an Assistant Treasury Secretary and one of the Administration's most ardent supply-siders. Johnson reworked the tax figures to account for the impact of inflation and unemployment. He found that even after those corrections, the share of taxes borne by the 5% of taxpayers with the highest incomes had risen from 32.9% to 34%. Says Johnson: "A perfectly plausible explanation for this phenomenon is that upper-income people are diverting more of their income away from tax shelters into taxable investments."

Critics of supply-side economics point out that the tax-shelter industry seems to be flourishing. As of late last year, the Internal Revenue Service was examining about 335,000 tax returns for questionable shelter deductions, compared with 285,000 in 1982. Johnson argues, however, that those figures may simply mean that the IRS is searching returns more carefully for shelters. He concedes that the amount of money in tax shelters is growing, but contends that the percentage of new income going into these gimmicks may be declining.

Critics of Reaganomics maintain that low-income Americans are now carrying a heavier tax load than they were in the 1970s. One reason: tax breaks that are of greatest value to the poor, including the standard deduction, personal exemptions and the earned income tax credit, have not been increased to keep pace with inflation. In addition, Social Security payroll taxes, which weigh most heavily on the working poor, have been rising steadily, from 6.13% of wages in 1980 to 6.7% this year. By 1985 the Social Security rate will be 7.05%.

The Center on Budget and Policy Priorities, a nonprofit Washington research organization, charges that the combined income and Social Security tax burden has nearly doubled for a family of four at the official Government poverty line. In 1980 such a family earned \$8,410 and paid 5.4% of its income in federal taxes. By 1983 inflation had pushed the poverty-line income to \$10,166, and a family at that level paid an estimated 9.8% of its earnings in taxes.

These figures show that Reaganomics may need to be refined to provide more tax relief for the working poor. But the evidence marshaled by the supply-siders indicates that the wealthy are not getting a free ride at the expense of the poor. Despite the rhetoric that President Reagan is a "reverse Robin Hood," the share of taxes paid by the richest Americans is on the rise.

—By Charles P. Alexander.
Reported by Richard Bruns/New York and Christopher Redman/Washington

Crying Foul

Mary Cunningham tells tales

Mary Cunningham's name evokes scenes of bedroom intrigue, corridor passion and mergermaking behind closed doors. For more than three years Cunningham, 32, has remained steadfastly silent about the intimate details of her swift rise and fall at Bendix and her highly publicized relationship with Bendix Chairman William Agee, 46. Now she, along with Fran Schuster, tells her tale in *Powerplay: What Really Happened at Bendix* (Linden Press/Simon & Schuster; \$16.95).

From a strict Roman Catholic upbringing in Hanover, N.H., where she was a studious child ("I could sense that people felt I put a damper on things"), Cunningham emerged with high ideals and fierce ambition. She graduated from Wellesley, married Howard ("Bo") Gray, a black New York City banker, and earned a degree from the Harvard Business School in 1979. After considering more than 30 job offers, she accepted one as the executive assistant to Agee at Bendix, a conglomerate based in Southfield, Mich. Cunningham moved to Michigan while her husband remained in New York. The couple later divorced.

At Bendix, Agee began turning to Cunningham for advice on matters ranging from company strategy to finding a cleaning woman. She and Agee shared a disdain for the performance of many Bendix executives. After a year as executive assistant, she became vice president for public relations, and later assumed responsibility for strategic planning.

By September 1980, however, Bendix was buzzing with rumors about romance in the executive suite. Not only had Cunningham's rapid rise attracted attention, but the boss seemed to be spending an unusual amount of time with her. They checked into the same hotels on business trips, shared limousines and spent late nights working together. The two strongly denied the charges of a romance, and Cunningham today insists that she was the victim of office gossip who envied her position. Bowing to pressure inside and outside the company, Bendix officials forced Cunningham to resign in October 1980. Less than two years later, she and Agee were married.

Two months after the marriage, Cunningham, who was now a vice president for planning at Seagram's, and Agee were again in the news. Agee was leading a Bendix attempt to take over Martin Marietta, the defense contractor, and Cunningham was at his side. In the end, Bendix not only failed to get Martin Marietta but was taken over by Allied.

Powerplay might be better subtitled *Everybody in the World Against Me*. Cunningham, for example, bitterly denounces Bendix Board Members Peter Peterson, former chairman of Lehman Brothers, Kuhn Loeb, and Donald Rumsfeld, for-

mer Secretary of Defense, for trying to nudge her out. She quotes Rumsfeld as telling Agee, "All right. So you piddled on the floor. But you don't have to have your face wiped in it. She's got to go." Cunningham charges W. Michael Blumenthal, former Bendix chairman and Treasury Secretary under Jimmy Carter, with spreading malicious gossip. She writes that Blumenthal remarked to Bendix Board Member Harry Cunningham, "Say, what's Agee got going there? Is he having some kind of mid-life crisis or has he lost all judgment?"

Cunningham's wrath is not confined to Bendix. She blasts Thornton Bradshaw, chairman of RCA, for his insulting rebuff to Agee's attempt to increase Bendix's stock ownership in that company. Bradshaw put out a statement saying, "Mr. Agee has not demonstrated the ability to manage his own affairs, let alone someone else's." The press receives Cunningham's harshest words. In the book's



After the fall: the author in New York City

The villains are just about everybody else.

prologue she writes, "My name was tainted in the press from Day One, and that makes me more cynical than I was ever taught it was right to be."

While Cunningham insists that she and Agee did not have an affair while at Bendix, the book contains some kiss and tell. Not long after her departure from the firm, Agee came down with a case of mononucleosis, and she traveled to his vacation home in McCall, Idaho, to help him recuperate. They later began calling each other after she returned to New York City. Their first kiss occurred one night when Agee visited her Brooklyn apartment. Writes Cunningham: "I went into the cramped kitchen to make a pot of tea. When I came out, Bill came up to me and said, 'I want to give you something I've been waiting to share for such a long time.' And then we kissed. How natural and good it felt." —By Robert T. Griesvas

Fallen Plum

Junior stock grew too ripe

One of the most talked-about new schemes for persuading a prized employee to stay with a company is to lavish on the person something called junior stock. Conceived in 1979 by Genentech, the bioengineering firm, junior stock has been widely used by such firms as Tele-Video Systems and Amdahl, two computer companies, and Cetus, another bioengineering concern. The plan has been particularly popular in California's Silicon Valley, where firms need all the incentives they can find to keep the engineers and scientists from job hopping. Some 200 high-tech firms have either issued junior shares or considered doing so.

Companies typically sell the junior shares to employees at 20% of the price of regular stock. Generally, the shares can be converted to common stock in three to five years if the company meets its goals for profits or sales. Genentech employees, for example, paid an average of \$1.62 a share for junior stock that was worth \$36.25 the day it became convertible.

The wind, though, is now going out of the windfalls. This week the Financial Accounting Standards Board, a private group that sets rules for corporate book-keeping, will propose guidelines that would virtually banish junior shares. The F.A.S.B. and the Securities and Exchange Commission believe that junior shares should be considered a form of pay. This would force companies to show on their books the expense of converting employees' low-priced junior stock into more valuable common shares. In some cases, this could reduce profits by as much as 25% after a few years. Said F.A.S.B. Staffer Steven Johnson: "Currently the financial statements don't give an honest view of what happens when the company in effect gives away \$40 stock for \$5."

The SEC originally allowed Genentech's junior stock because, like other equities, it involved some risk on the employee's part. If the company failed to meet its performance goals, the employee would be forbidden to convert the junior stock to common shares. Thus the worker would make no money on the deal. But some firms set standards so low that their junior-stock plans became giveaways. Admits Palo Alto Attorney Lee Benton, a proponent of the stock: "Some companies took it further than it was ever intended to go."

Junior stock has also been under scrutiny by the Internal Revenue Service, which has yet to decide how the stock will be taxed. Other equities generally fall under the long-term capital-gains rate of 20% or less if they are held longer than one year. The IRS, however, may rule that taxpayers must classify profits from the conversion of junior stock as regular income. This would force shareholders to pay a rate of up to 50%, which would help make junior stock a thing of the past. ■

Economy & Business

Getting Personal

Hewlett-Packard's new look

The current business bestseller *In Search of Excellence* hails Hewlett-Packard as one of the best-managed companies in America. In 45 years the firm has grown from a garage in Palo Alto, Calif., to a giant whose \$4.7 billion in sales embraces a wide range of high-technology products, which include minicomputers and electronic test and measuring instruments. Hewlett-Packard now ranks 75th on the FORTUNE list of the largest U.S. industrial companies, and its pocket calculators have made HP household initials among scientists and engineers.

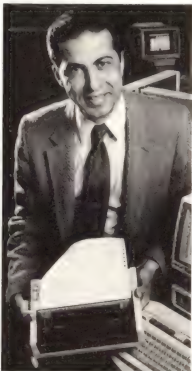
Despite such a string of successes, Hewlett-Packard has stumbled badly in personal computers. In 1976 one of its engineers, Stephen Wozniak, designed an early personal computer, but managers were scornful about its prospects. Wozniak thereupon left to help start Apple Computer. Finally, in 1980, Hewlett-Packard introduced its own personal computer, the HP 85, and followed it up with nine other models. But the products were aimed primarily at engineers, and since they were produced by five separate HP divisions, they ran different software, used three different keyboards, and were marketed in an uncoordinated manner. Result: they sold poorly. In 1983, according to Dataquest, a San Jose, Calif., research firm, Hewlett-Packard had 2.5% of the \$4.7 billion market for personal computers.

Now Hewlett-Packard may finally be finding its touch with personal computers. Next month it will introduce a battery-operated portable computer, code-named Nomad, that will weigh 8.5 lbs. and sell for \$3,000. Industry insiders are excited about the machine, which has a tilt-up flat screen and built-in software including the industry's current hit, Lotus 1-2-3, a business planning program that also produces graphs. The computer has twice the memory of Apple's hot-selling Macintosh, and is designed to connect to the IBM Personal Computer as well as to Hewlett-Packard machines.

In its drive for success in personal computers, Hewlett-Packard had to develop a totally different kind of marketing. While previously the company had sold products mainly to sophisticated industrial users, it was now going after the mass market. First Hewlett-Packard hired the McKinsey consulting company to do a yearlong product-planning study. Then it consolidated its personal-computer operations into a new group headed by Cyril Yansouni, 41, a 17-year company veteran. Admits Yansouni: "We were dabbling in the business but not pushing really hard." Yansouni has tried to eliminate product overlaps and jazz up the company's stodgy image. He hired the J. Walter Thompson advertising agency, gave larger profit mar-

gins to dealers, and recruited six marketing executives from companies like General Foods and Lego, a toymaker.

Hewlett-Packard's first major move after the reorganization came last September with the introduction of the HP 150, a computer originally code-named Magic. But the machine, which has a touch screen on which users can give commands, has been a slow seller despite a \$10 million advertising campaign. The company has sold fewer than 40,000 of the machines, about two-thirds the number originally projected. Complains John Levy, president of General Micro, a chain of 23 computer stores based in South Bend, Ind.: "People just don't know the company." Though Hewlett-Packard



Yansouni with a ThinkJet printer and an HP 150
A different strategy for a different market.

now has 750 dealers, compared with 350 in November 1983, it has signed up only one-quarter of the 481 Computerland outlets in the U.S.

The second product from Hewlett-Packard's new group is doing much better. Last month the firm introduced a \$495 portable computer printer called the ThinkJet. The machine is an ink-jet printer that forms characters by shooting thousands of tiny ink dots onto a piece of paper. Says Dataquest President David Crockett: "It could be one of the biggest hits they've ever produced." Both the Nomad and the ThinkJet may be signs that Hewlett-Packard's venture into personal computers is at long last going in the right direction.

—By Michael Moritz

Body Language

Teaching the right strut

Captains of industry have it. So do great generals and successful politicians. People with executive presence exhibit a purposeful style and confident mannerisms that give the impression of control. When they walk into a crowded room, they naturally command the respect and attention of those around them. That intangible quality is in demand by business people who want every advantage in climbing the ladder to success.

Teaching executives to exude the right stuff is the business of Denver's Benton Management Resources, which has seen its sales double in the past year, from \$100,000 to \$200,000, without a word of advertising. Debra Benton, 30, a tall (5 ft. 9 in.) former Colorado beauty queen who drives around town in a red Porsche convertible, founded her firm eight years ago after working with her husband, an executive recruiter. She charges men \$100 an hour and women \$60 an hour, and \$1,500 for eight-hour courses.

Many of Benton's clients are from large corporations, and about 75% are men. Executives from such blue-chip firms as Xerox, Union Carbide and Citicorp have signed up without informing their bosses. Almost everyone praises Benton. "She's fabulous," says Pam Crowson-Brash, an account executive at the Foote, Cone & Belding ad agency in Chicago. "I feel I have an advantage over anyone who hasn't taken her course."

To achieve control and charisma, executives must develop "a physical game plan," according to Benton. Says she: "Walk slowly and purposefully. Plant some pauses along the way." Good posture is also important. "A modified West Point cadet look is critical for business," says Benton. Copying gestures is a fine idea: "When talking to Mr. Big, try to copy whatever he does. It's instant rapport." Use hand gestures: "You will appear more charismatic." When walking downstairs, look not down but straight ahead to project the image of being level-headed. Of course, this could also be an instruction for falling down.

Benton also teaches executives to express themselves more effectively and to develop better attitudes toward themselves. Prior to making a presentation, Benton advises, "find out what others expect or what they want to avoid before you spill your guts." Executives must be able to see themselves as successes. Says Benton: "It may sound corny, but if you think you are getting better, you will get better."

Even sitting down in a chair requires careful planning. The chair should be moved one inch to establish territory and slid into from front to back. The savvy executive can then strike the ultimate power pose by turning slightly and planting an elbow on the armrest.

Overdrive

Grand profits for automakers

"There are great days in your life," said an exuberant Chrysler Chairman Lee Iacocca last week. "This is certainly one of them." It surely was. Iacocca announced that Chrysler recorded a staggering \$705.8 million profit for the first three months of 1984. That is more than it made in any full year, including last year, when it earned a record \$700.9 million.

Chrysler's turbo-charged results were produced by runaway sales of the Dodge Caravan and Plymouth Voyager, its new minivans (average selling price: \$13,000), and strong demand for luxuriously equipped versions of all its models, especially the Chrysler Laser and Dodge Daytona sports cars. At the same time, the company got the payoff from the cost cutting made three years ago, when it reduced its break-even point from 2.4 million vehicles annually to only 1.1 million. Worker productivity has taken a great

leap forward. Each employee now builds an average of 19.3 vehicles annually, in contrast with 10.2 in 1980.

When other U.S. automakers report their quarterly earnings this week, the news is likely to be equally exhilarating. General Motors is expected to make \$1.6 billion, more than double the profit from last year's first quarter, and Ford could have earnings of more than \$800 million, nearly quadruple last year's. Even American Motors, buoyed by strong Jeep sales, is expected to have good earnings. It will be only the second quarterly profit for the company in the past 3½ years. Though Detroit is worried about the effects of high interest rates on sales, the current profit pace is expected to continue through the rest of this year.

But all that good news may be trouble for the automakers. The large profits and generous bonuses the companies are giving their executives are increasing pressure to roll back the import restrictions on Japanese autos that entered their



Chrysler's Iacocca

fourth year this month. Said Martin Feldstein, chairman of the President's Council of Economic Advisers, last week: "I think that the quotas have kept prices higher to American consumers. I think it's about time that we think about getting rid of those quotas." Feldstein's remarks coincided with a preliminary finding by Brookings Institution Economist Robert Crandall that the restraints added an additional \$400 to the cost of 1983-model American cars. Reason: the artificial shortage of Japanese autos allowed Detroit to crank up prices.

Nor are the industry's good tidings going unnoticed by the United Auto Workers. When contract talks begin this July, the union will be eager to win back wage and benefit concessions made to GM and Ford two years ago, as well as gain a chunk of current profits: The U.A.W. has already signaled its goal by the slogan it has adopted for this year's talks: "Restore and More in '84." ■

Dividends

Seabrook at the Brink

Even among the dozens of troubled nuclear-power projects in the U.S., New Hampshire's Seabrook stands out as a whopping loser. The project's expected cost went from \$900 million in 1972 to current estimates of up to \$9 billion. Its principal owner, Public Service Co. of New Hampshire, admitted last month that because of Seabrook it may be forced into bankruptcy. If that happens, it will be the first major U.S. utility to file for bankruptcy since the Great Depression. Last week, in a drastic effort to keep itself solvent, the company abruptly halted work on Seabrook and stopped paying dividends to shareholders. The company hopes to resume work by arranging for new loans.

By laying off 5,200 workers, the owners expect to save \$750,000 a day. But the project will continue to eat up \$1 million daily because of other expenses, primarily interest payments. Many investors hope the utilities will decide to scrap the reactor, which is 73% finished. Its twin, 23% completed, was tentatively canceled last month. Said Maine Public Utilities Commission Chairman Peter Bradford: "Something had to be done." The utility can only hope it did something soon enough.

Presidential Pollen

A President cannot live on jelly beans alone. Less well known than his eye for candy is Ronald Reagan's taste for bee pollen, a powdery substance that many health-food devotees consider a wonder



SEABROOK AT THE BRINK BY JEFFREY M. HARRIS

food. Though unsupported by scientific evidence, advocates tout it as a preventive for everything from impotence to aging. When Reagan wants a bee-pollen snack, he can now reach for something named in his honor, a candy bar called the President's Lunch.

The snack's creator, 67-year-old Bruce Brown of Scottsdale, Ariz., introduced the President's Lunch last November in a patriotic-looking red-silver-and-blue wrapper. Besides bee pollen, the ingredients include rolled oats, peanut butter, kelp, sunflower seeds and raisins. Brown predicts health-food fans will be abuzz about the bar this summer, when the 1.3-oz. snack becomes widely available in supermarkets for about 75¢.

Brown's company, C.C. Pollen, is the largest seller of the substance in the U.S. Brown sneers at conventional candy bars, describing them as "semipoison," and

points to Reagan's vigor at 73 as evidence of bee pollen's healthful effects. "Just look at him," says Brown of the President. "This is one of the few bars you can eat that will improve your health."

Stripping the Varnish

One of the important tools of corporate image making is the richly illustrated annual report. But some firms now regard the glossy booklets sent to stockholders as overly extravagant. Xerox has banished photographs from the pages of its report this year, thereby cutting the cost of each copy from 88¢ to 43¢. Total savings: \$180,000. AMF, a New York-based conglomerate, after losing \$1.5 million last year, cut its report by twelve pages and adopted a no-frills design. Much of A.T.&T.'s report is printed on paper almost as flimsy as the kind used in phone books. The company did away with most of the slick finish for its 4 million reports because it needed to include eight more pages, largely about the firm's breakup.

Some companies, though, continue to produce reports elegant enough to grace the finest coffee tables. The Donaldson, Lufkin & Jenrette investment firm, whose profits jumped 32% last year, issued a 64-page document filled with pictures of historical artifacts and featuring a painting of Alexander Hamilton on the cover. But Wisconsin Securities, a Milwaukee investment firm, went one better. Along with its 30-page report, the company sent each of its 235 shareholders a 10-oz. can of ginger cookies made by one of the companies in which it has invested.



High-speed photography records a test deployment of the Mercedes-Benz Supplemental Restraint System. Within forty-five

The Mercedes-Benz Supplemental Restraint System: It works slightly faster than you can blink an eye.

IT IS SO UNOBTUSIVE and so nearly out of sight that day in and day out in normal driving, you may come to put it out of mind as well. To all but forget that it's there.

Then comes a sudden and major frontal impact. And in the next *45 milliseconds*—faster than you can blink, or think, or move—it has intervened to help lessen the risk of injury to you and your front-seat passenger.

It is the ingenious combination of seat belt and air bag technologies and advanced electronics called the Supplemental Restraint System—SRS. With it, Mercedes-Benz believes the vital cause of occupant restraint can be significantly extended.

And after 15 years of development and 450 million

miles of real-world experience in production automobiles, Mercedes-Benz has decided to make SRS available in America. You can order the system today as an extra-cost option on selected 1984 Mercedes-Benz models.

MORE THAN AN AIR BAG

As the name suggests, SRS is meant to *supplement* a restraint system already built into every Mercedes-Benz: its three-point front seat belts.

Indeed, so crucial are seat belts to its operation that the Supplemental Restraint System can properly work only if driver and front passenger have both buckled themselves up beforehand.

Integrating seat belts into its function helps restrain

occupants, not only in major frontal impacts but in many other types of impacts. As air bags by themselves cannot do.

There is a still stronger reason why the Supplemental Restraint System concept does not work backward from the exotic air bag but forward from the familiar seat belt. Most serious automobile accident injuries result from the occupants being flung out of the car or against portions of its interior. And the fact remains that three-point seat belts represent the single most effective known defense against this risk. They are, in a word, indispensable.

UNIQUE FORMS OF DEFENSE

But in addition to seat belts, the Supplemental Restraint System mobilizes three unique forms of defense against the specific hazard of a major frontal impact.

For the driver—an air bag mounted in the steering wheel hub. And at knee level, a padded bolster to help prevent his lower body from sliding forward under the dashboard in a major frontal impact.

For the front passenger—an emergency tensioning retractor, fitted into the reel mechanism of his normal seat belt.

In the milliseconds following a major frontal impact,



milliseconds it can sense a major frontal impact, inflate the driver's air bag, and tighten the front passenger's three-point seat belt.

a built-in crash sensor electronically triggers two generators. One generator inflates the driver's air bag to insert a protective cushion between his head and the steering wheel—before he has even begun moving forward in reaction to the impact. The other generator simultaneously activates a pulley to tighten the front passenger's seat belt and

restrain his body before it can start moving forward.

The air bag then rapidly deflates. And the front passenger's seat belt—like the driver's—can afterward be released simply by pressing the normal quick-release button.

The system is built to satisfy the stringent quality control standards of Mercedes-Benz. And it is honeycombed with

safeguards against everything from accidental deployment to inappropriate deployment.

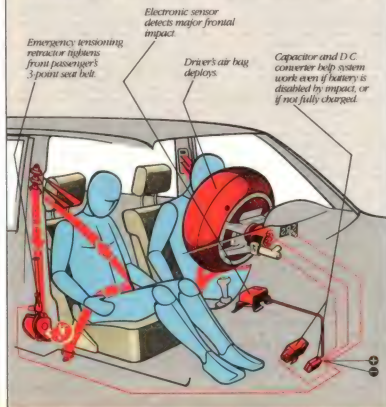
The system is designed to activate itself even if the car's battery were to be destroyed or made inoperable at the instant of impact. It is also meant to constantly monitor itself; and if a malfunction were detected, to signal it via an instrument panel warning light—prompting a quick check of the system by an authorized Mercedes-Benz dealer's service department.

TOWARD SAFER DRIVING

In a recent survey, Mercedes-Benz drivers reported a seat belt usage rate much higher than the current U.S. average. The belief is that these safety-conscious drivers will quickly grasp and accept the Supplemental Restraint System concept. That their acceptance will, in turn, help pave the way for wider understanding and use of this and similar systems.

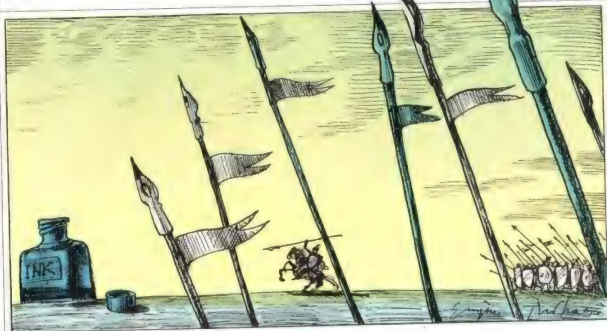
And that sooner rather than later, driving in America can become safer as a result.

ANATOMY OF THE SUPPLEMENTAL RESTRAINT SYSTEM



Engineered like no other car in the world

Press



The Ten Best U.S. Dailies

Through their enterprise and style, they set a journalistic standard

When TIME last chose the ten best U.S. dailies, in 1974, it seemed a buoyant era for newspapers: by publishing the Pentagon papers and exposing the Watergate scandal, and recapturing the role as journalism's leader, which TV had assumed during the Viet Nam War. They had shown a new zeal for investigating local corruption. And they had begun to adopt technologies to achieve crisp graphics and photos; a growing number were using color.

For American newspapers, however, the past decade has turned out to be both the worst and the best of times. While dozens of big and small city dailies were dying, a new pattern of nationwide distribution was being born, at least for the New York *Times*, the *Wall Street Journal* and a jazzy upstart, *USA Today*. While the expansion of TV newscasts cut into papers' influence, the print reporter's education, status, wages—and expertise—reached new heights. Although a post-Watergate arrogance infected some journalists, many others learned to operate with sensitivity and restraint. If print journalists were villains in an Oscar-nominated movie, *Absence of Malice*, they were the heroes in an Emmy-winning TV series that ran five seasons, *Lou Grant*.

Chains continued to buy up U.S. dailies, large and small, during the past ten years, but despite fears of bland homog-

enization, the average local paper generally grew better. The biggest group, Gannett (85 dailies), has shifted emphasis from moneymaking boosterism to enterprising reporting. Old-fashioned women's pages have given way almost everywhere to trend-conscious life-style reporting. There has also been a sharp upswing in the quality of stories about the arts and popular culture, especially television. In addition to their own resources, moreover, daily editors now have a broader range of syndicated news and features to choose from, including stories from reporters at eight of the journals that made this year's list of the ten best (the exceptions: the Des Moines *Register* and the St. Petersburg *Times*).

One of the dailies that TIME named among the nation's ten best in 1964, the Cleveland *Press*, folded in 1982. Still, a measure of the basic health and diversity of American newspapers is that only three of the dailies on this year's list, the Los Angeles *Times*, the New York *Times* and the Washington *Post*, were selected by TIME 20 years ago. Among the credentials that TIME took into account: imaginative staff coverage of regional, national and foreign issues; liveliness in writing, layout and graphics; national impact achieved through general enterprise, command of some particular field of coverage or a track record of

training top-rank younger journalists.

Some worthy papers might qualify for more national influence if they were not overshadowed by even better nearby competitors. The San Jose *Mercury News* (circ. 245,000) and Sacramento *Bee* (circ. 219,000) are outranked as voices of the West by the Los Angeles *Times*. The Orlando *Sentinel* (circ. 213,000) is one of the better papers in the country but places only third among Florida's dailies. Baltimore's venturesome *Sun* and *Evening Sun* (combined circ. 349,000), with a fine political staff and seven foreign bureaus, gamely fight against the Washington *Post*. Long Island's vigilant and bright *Newsday* (circ. 525,000), which was on TIME's 1974 list, gives the New York *Times* a stiff battle in local and state coverage. Other regional papers simply cannot overcome the limited newness of the areas they cover. That description applies to such praiseworthy dailies as the Milwaukee *Journal* (circ. 303,000), the Louisville *Courier-Journal* (circ. 178,000)—both on TIME's 1974 list—and to North Carolina's Charlotte *Observer* (circ. 177,000).

Two cities are particularly well served by a journalistic phenomenon that is sadly in decline: local daily competition. In Dallas, the *Morning News* (circ. 336,000) and *Times Herald* (circ. 270,000), both of which were somewhat listless until a few years ago, have spurred each other to

make the city one of the best covered in the country. In Detroit, similarly happy results have come from the face-off between the *Free Press* (circ. 635,000) and *News* (circ. 651,000).

In this era of improvement, choosing America's ten best daily newspapers is pleasantly difficult. Here, in alphabetical order, is TIME's review of them:

The Boston Globe

For nearly a century, the *Globe* was undistinguished even by the standards of Boston, a notoriously bad newspaper town. Thomas Winship, who took over as editor in 1965, has transformed the *Globe* into a feisty, eccentric, unpredictable paper that wavers, from day to day and even from page to page, between brilliance and bathos. Under Winship the paper has won eleven Pulitzer Prizes, two last week. Characteristically, however, almost all the Pulitzers have been for issue crusades, local investigative projects, or opinion, and only one has been for coverage of breaking local news, which remains perhaps the *Globe's* chief weakness.

The *Globe* is best when assaying politics, at which it has few peers outside New York and Washington, and sports, at which it may have no peers at all. Editorial Page Editor Martin Nolan has given the opinion columns the same grace and punch he gave the paper's Washington bureau, and Washington Reporters Tom Olyphant and Curtis Wilkie are highly respected. Baseball Writer Peter Gammons may be that sport's most influential daily chronicler. Among other assets: Columnist Ellen Goodman, Humorist Diane White, Music Critic Richard Dyer and Editorial Writer Kirk Scharfenberg.

But the paper is at a crossroads. Winship, 63, is due to retire next year, and his successor must determine whether to discipline the *Globe* at the risk of diminishing its undeniable heart. Still too much a writer's paper, the *Globe* may need a sterner master in its next phase than the pookish, avuncular Winship.

Chicago Tribune

To critics, the *Tribune* is the Baby Huey of American newspapers—big, awkward, muscle-bound, stumbling over its own vast strength. Consistently profitable and increasingly dominant in the nation's third largest city, the paper employs 530 full-time editorial staffers, including 16 correspondents in Washington, eight in other U.S. cities outside Illinois, and four abroad. Yet for a paper of its visibility, the *Trib* has too little impact outside its region. The staff shares the industry's enthusiasm for blockbuster features, which tend to be deftly written and slickly packaged rather than penetrating. Says Journalism Director Neale Copple of the University of Nebraska: "The paper is solid but not very exciting."

The *Tribune* has shed almost completely a tradition of Midwestern Republican dogmatism, and it covers Chicago's

The Boston Globe

DAILY CIRC.: 515,000
SUNDAY: 782,000

EDITOR
Thomas
Winship



Chicago Tribune

DAILY CIRC.: 751,000
SUNDAY: 1,116,000

EDITOR
James
Squires



tumultuous Democratic machine fairly. Among the paper's stars are Columnists Bob Greene, who specializes in offbeat portraits of ordinary people, and Mike Royko, a Chicago institution who jumped to the *Trib* along with about a dozen others when Australian Press Lord Rupert Murdoch took over its tabloid rival, the *Sun-Times*.

Editor James Squires, 41, a former Washington bureau chief who returned to the *Trib* in July 1981 after a five-year stint as top editor of the company-owned Orlando *Sentinel*, sees himself as the paper's "biggest fan and most severe critic." He has brought verve and consistency to layouts, unified the scattershot staffs, and pressured editors to ensure communication between reporters covering related stories—a problem at other dailies. Vows Squires: "We are coming into our own as an investigative paper."

The Des Moines Register

For about a month every four years, the *Register* rises into the ranks of the nation's most influential dailies. Then, after the Iowa presidential caucuses are over and the bandwagon of national political reporters moves on to other states, the paper resumes its normal role as one of the state's most powerful and respected institutions. Billed truthfully if somewhat immodestly as "the newspaper Iowa depends upon," the *Register* circulates in all 99 counties, and it relentlessly stresses the local angle in news events. Says former Washington Post Ombudsman William Green: "It is enormously influential in its state." The paper is the nation's best in reporting about agribusiness. Farming-related stories won two Pulitzer Prizes, in 1976 and 1979, for Washington Bureau Chief James Risser, and earned his colleague George Anthon a top 1983 award from the National Press Club.

The *Register's* weaknesses include drab coverage of culture and life-styles, dimly cluttered section fronts and dim, grainy photos. Although Editor James Gannon, 44, is highly regarded as a political analyst and Corporate President Michael Gartner, 45, is a syndicated columnist on language and usage, much of the writing in the *Register* is flat. One notable exception: the paper's strongly worded editorial page. During the past

couple of years, the paper has been burdened by corporate skirmishing among the owners, the Cowles family.

The *Register* is perhaps not an automatic choice for the top ten, but as a monopoly newspaper it has resisted the temptation to laziness. It has targeted its resources to achieve national impact. And perhaps the best measure: it is trusted deeply by the people who read it every day.

Los Angeles Times

As sprawling as the city it covers, the *Los Angeles Times* is known to local wits as the "gray whale." Fired with ambition to have their product regarded as equal in scope and weight to the New York *Times* and Washington *Post*, *Times* editors appear to have all but given up on editing: stories go on seemingly forever. Southern California's prosperity, which was reflected in a nation-leading total of 154.4 million lines of advertising last year, has ballooned the paper to an average of 111 pages daily, vs. 96 for the New York *Times*. Each edition is chockablock with lovingly crafted explorations, of subjects ranging from the education of a TV anchor to the buying patterns of Hispanic migrant workers, that jump confusingly from page to page after page. At its best, the *Times* can be as informative and interpretive as any daily in the English language. At its worst, it seems to reflect a mistaken notion that readers want to spend all day with it.

The paper's editorial staff numbers 668 full-time journalists, and the *Times* maintains 13 U.S. bureaus and 22 abroad. It also produces eight local zoned editions. Eight reporters were assigned to the Iowa presidential nominating caucuses; ten writers and four photographers were sent to the scene when a sniper attacked children at a Los Angeles elementary school. But the *Times* has room for individual stars. Interestingly, for a paper with a heritage of partisan Republicanism, some of them are candidly liberal. Washington Bureau Chief Jack Nelson leads a savvy staff; Editorial Cartoonist Paul Conrad is a blunt critic of U.S. foreign policy.

Under Editor William Thomas, 59, the *Times* has become known as a desirable place for writers to work. But it does not always seem to be put together with readers in mind. When the *Times* was

ranked in the ten best list a decade ago. TIME said: "It gives the impression of just falling short of its great potential." In some ways it still does.

The Miami Herald

There might seem to be more than enough news in south Florida to occupy any newspaper: a restive black community, an assertively bilingual Cuban population, an infestation of gun-wielding drug dealers, banks that accept large deposits in cash, a police department that seems prone to provoking charges of brutality. The Miami Herald covers its parlous territory as thoroughly and fearlessly as any other city daily, whether in exposing racial discrimination in housing or in probing terrorist acts by anti-Castro Cuban exiles. But it does more. Its reportage of Latin America, aided by bureaus in Rio de Janeiro, San Salvador and, soon, Managua, is among the very best in the U.S.

On local news, the paper has been as aggressive as Chicago's dailies were in the era of *The Front Page*. When a zoning series last year charged that planning principles were being subordinated to the desires of developers, the paper's unyielding executive editor John McMullan lamented that the articles did not result in indictments. Said he: "We are proud of explanatory journalism, but a couple of convictions is a wonderful way to explain the problem." Yet the Herald is compas-

	
<p>DAILY CIRC.: 239,000 SUNDAY: 381,000</p>	<p>DAILY CIRC.: 1,038,000 SUNDAY: 1,294,000</p>
<p>PRESIDENT Michael Gartner</p> 	<p>EDITOR William Thomas</p> 

sonate: Associate Editor Gene Miller has won two Pulitzer Prizes for investigative reporting in murder cases, including one in 1976 that resulted in the freeing of two innocent men convicted of a slaying.

After McMullan retired last July, some observers claimed that the Herald went soft. His powers were divided between Publisher Richard Capen, 49, who favors a less accusatory approach, and Executive Editor Heath Meriwether, 40, who spends much of his time discussing journalistic ethics in columns and at public meetings. Coverage is increasingly featurish: staff members joke that they sometimes produce "Jell-O journalism," with the main point of a story bur-

ied beneath paragraphs of scene setting.

The paper's columnists and specialists lag behind the newsroom. The Herald covers business adequately, especially in a weekly section that ranges up to 78 pages, but is uneven in reviewing the arts and undistinguished in writing about lifestyles. Visually it is blocky, and photos are often muddy. Its primary flaw: like many other major dailies, it suggests that being serious precludes having any fun.

The New York Times

Executive Editor A.M. Rosenthal is fond of quoting an observation by Author Theodore White in his *The Making of the President 1972* that whenever anyone of

Glittering Prizes

Eight of the twelve Pulitzer Prizes in journalism awarded last week went to dailies on TIME's ten best list—two each to the Los Angeles Times, the New York Times, the Boston Globe and the Wall Street Journal—and the winning entries generally reflected the papers' strengths.

The Los Angeles Times, which prides itself on massive projects, won in public service for a 27-part series, *Latinos*, based on more than 1,000 interviews and reported and edited by Mexican Americans on the staff. Editorial Cartoonist Paul Conrad, 59, an acid-penned liberal, won his third Pulitzer in 20 years for japes at U.S. military activity and the nuclear arms race.

The New York Times, which is a magnet for authoritative specialty writers, won for criticism by Architecture Critic Paul Goldberg, 33, and for national reporting by Science Writer John Noble Wilford, 50, on topics ranging from astronomy to Star Wars space weapons.

The Boston Globe, which has an aggressive social conscience, won for "special" (usually investigative) local reporting on race relations. One series criticized institutions, including the Globe, for poor minority hiring, and concluded, "Boston today is the hardest metropolitan area in America for a black person to hold a job or earn a promotion." News Photographer Stan Grossfeld, 32, won for portraits of suffering citizens in Lebanon.

The Wall Street Journal, which has broadened its definition of business-related coverage, won for international reporting by Foreign Editor Karen Elliott House, 36, who probed Middle East politics in interviews with Jordan's King Hussein, and for commentary by Vermont Royster, 70, who

also won in 1953 for editorial writing. Royster's subjects included the Viet Nam War veterans' right to pride and the legacy of Martin Luther. Other awards: in general local reporting, to Long Island's *Newsday* for examining federal intervention in the medical treatment of severely handicapped children, most notably in the much litigated case of Baby Jane Doe; in editorial writing, to Editor Albert Scardino, 35, of the weekly *Georgia Gazette* (circ. 2,500), largely for attacks on official wrongdoing; in feature writing, to Seattle Times Reporter Peter Mark Rinearson, 29, for describing the development of the Boeing 757 passenger jet; in feature photography, to Anthony Suau, 27, of the Denver Post, primarily for pictures of mass starvation in Ethiopia.



A Conrad jab at Ronald Reagan

The Pulitzer administrator, Robert Christopher, complained of "a trend among the 1,199 journalism entries for stories to run interminably." Conceded Boston Globe Editor Thomas Winship, a Pulitzer board member: "Often we ask readers to take too big a bite." The board overruled several jury choices, including fiction: it chose William Kennedy's novel *Inwood*, the story of a baseball player turned drifter, over Thomas Berger's *The Flood*. The board also debated rejecting David Mam-

et's play *Glengarry Glen Ross*, because of scatological dialogue among its conniving real estate salesmen. Other awards went to Poet Mary Oliver's *American Primitive* and Composer Bernard Rands' *Canti del Sole* for tenor and orchestra. Louis Harlan won in biography for Booker T. Washington: *The Wizard of Tuskegee, 1901-1915*, and Harvard Sociologist Paul Starr in nonfiction for *The Social Transformation of American Medicine*. A citation was given to Theodor Geisel (Dr. Seuss) for his 44 children's books. For the first time since 1919, no history work was judged worthy of an award.

The Miami Herald

DAILY CIRC.: 407,000
SUNDAY: 495,000

EXECUTIVE EDITOR

Heath
Metiwether



The New York Times

DAILY CIRC.: 911,000
SUNDAY: 1,523,000

EXECUTIVE EDITOR

A.M.
Rosenthal



The Philadelphia Inquirer

DAILY CIRC.: 533,000
SUNDAY: 995,000

EXECUTIVE EDITOR

Eugene
Roberts



consequence from the terrain between Boston and Washington talks to anyone else from that part of the country, each starts with the assumption that the other has read that day's edition of the *Times*. It is the most complete American newspaper, and it serves to define "all the news" for many of the country's opinion makers by what it deems "fit to print." In international news, science and technology, food and furnishings, above all in culture, the *Times* laps the field.

Rosenthal, 61, laughs triumphantly when people still refer to the *Times* as "the gray lady of 43rd Street." Since he took over in 1969, the paper has been steadily reshaped, especially with the introduction of daily theme sections (Sports, Science, Living, Home and, for entertainment, Weekend). The sections have opened the paper to stories far beyond conventional news. Some are obscure; some are refreshing reminders that there are other serious pursuits besides politics. The editorial page has also shifted, under Editor Max Frankel, from fussy, civics-textbook pieties to street-smart candor.

Nonetheless, tradition, propriety and a vast sense of self-importance still weigh heavily on *Times* editors and reporters, as does the constricting drabness of its first-section design. Although it has its share of exemplary stylists, the *Times* rarely achieves the aura of spontaneity and surprise that beguiles (or infuriates) readers of the Washington *Post* or the Boston *Globe*. The prose is often institutional or, in features, cloyingly cute. Admits Rosenthal: "The paper has not much humor." The staff's awareness of its power and responsibility has resulted in a high level of accuracy, although the editorial stance, the Op-Ed page selections and occasionally the news judgments tilt to the left.

Depth of talent is still the *Times*'s most enviable asset. Its prestige enables it to lure star writers from other papers to routine assignments, from which they must fight to get stories into print. *Times* columnists and critics automatically become figures of national prominence. Among the best are Humorist Russell Baker, Political Commentator William Safire, Drama Critic Frank Rich and Architecture Critic Paul Goldberger. But the paper's political coverage lags behind the Washington *Post*'s, and its business and

sports sections are both weak when compared with those at other major papers. But even with these limitations, the *Times* remains the nation's paper of record. Its readers may sometimes wish it did not so self-consciously assert that rank.

The Philadelphia Inquirer

When Walter Annenberg sold the *Inquirer* in 1969 to a forerunner of the Knight-Ridder chain, the city's dominant paper was the rival *Bulletin*, which advertised, more or less accurately, "In Philadelphia, nearly everyone reads the *Bulletin*." The *Inquirer* was uncreative, undistinguished—it even employed an investigative reporter who took money to suppress stories—and in danger of dying an unmourning death.

In 1972 the paper hired Eugene Roberts, a former New York *Times* national editor, and over the next decade he directed one of the most remarkable turnarounds, in quality and profitability, in the history of American journalism. The paper won six consecutive Pulitzer Prizes from 1975 through 1980 in six different categories. By July 1980 the *Inquirer* had converted a 173,000 daily circulation gap into a small lead, and 18 months later the *Bulletin* folded. Roberts and his troops once again were ready. The *Inquirer* expanded its business and leisure coverage; the first steps in a campaign to win over former *Bulletin* readers. The paper also hired 95 more editorial staffers, bringing the total to some 400, and increased the news space 20%. Explains Roberts, 51: "We were aware that there would be a lot of criticism of a monopoly ownership, and we wanted to prove that we would be better rather than worse."

The *Inquirer* style is exhaustive. When the Three Mile Island nuclear power plant had a near meltdown in 1979, the paper assigned more than 80 staffers. Reporters Donald Barlett and James Steele spent more than a year preparing last November's series about nuclear waste. Some readers wonder, however, why the paper also gives its in-depth treatment to the fate of the African rhinoceros. Roberts encourages his staff to be like writers for *The New Yorker*, relentless in pursuit of even esoteric interests. At times, the *Inquirer*'s self-conscious creativity has led it to shortchange local news. Says Associate

Managing Editor James Naughton: "It used to be said that we covered Karachi better than the neighborhood of Kensington. But with the *Bulletin* gone, we are obligated to keep more of a local record."

St. Petersburg Times

St. Petersburg (pop. 240,000) may be one of the slowest news cities in America. The median age of the population in two census districts that make up downtown is 73; life is so sleepy that the *Times* sometimes has to fill its local news pages with reports of kindly neighbors and lost dogs. Many editors would count themselves blessed not to contend with chronic turmoil, but the *Times* goes looking for news. Locally, the paper has taken on power companies, banks, oil-supply speculators, home-repair con artists and even that most sacred of cows, the University of Florida football program, the last in stories that exposed academic irregularities. Reporters Charles Stafford and Bette Orsini won a 1980 Pulitzer Prize for examining operations of the Church of Scientology. Lucy Morgan wrote a series that tellingly demonstrated links between public officials and drug smuggling, and Peter Gallagher has written a succession of tough but balanced stories about the perils of overdevelopment. The paper is especially generous with travel budgets: the witty theater critic Tom Sabulis frequently reports from Broadway, while Foreign Editor Wilbur Landrey roves the world.

Longtime Publisher Nelson Poynter sought to preserve the paper's high standards by creating a unique ownership arrangement: voting rights to the controlling stock belong to the top executive, who names his successor. Since Poynter's death in 1978, that power has been held by Eugene Patterson, 60, who has paid equal attention to quality and viability: last year the parent company, which also controls *Congressional Quarterly*, made a profit of about \$18 million, of which \$4.5 million was returned to the employee profit-sharing plan.

The *Times* was a pioneer in its bold handling of color, graphics and design. Perhaps an even more important accomplishment is that it has been an academy for gifted reporters who hone their craft, then move on to bigger pay and livelier cities. In the past few years, *Times* alumni

have got showcase jobs in Denver, Dallas and Washington, and especially on the *Wall Street Journal* and *New York Times*. Patterson's heir apparent, Editor Andrew Barnes, says of the exodus, "I'm told I should feel complimented, but I resent it. We've populated the world."

The Wall Street Journal

Bigger in circulation than the *New York Times* and *Washington Post* put together, so confident of its following that it dispenses with comic strips, advice columnists, crossword puzzles and a sports page, the *Journal* is almost certainly the only U.S. newspaper that can make or lose fortunes for the people it writes about. A perverse indication of the paper's power came last month, when the Securities and Exchange Commission opened a formal investigation into leaks to stock traders about what items were to appear in its "Heard on the Street" column. The *Journal* is far from complete: editors can dismiss political developments in a paragraph, and the paper's three daily Page One stories, while almost invariably literate, are not always on top of the news. But the *Journal* is the only truly international American newspaper, available on the day of publication virtually everywhere in the U.S. and in separate editions in Asia and Western Europe. Its rigorous editing makes it a consistent product for readers.

Under the new team of Associate Publisher Peter Kann, 41, and Managing Editor Norman Pearlstine, 41, the *Journal* is becoming more inclusive and expanding the editorial staff to about 400.

Says Kann: "The interests of American business people are not just in profit and loss but in government, the environment, equality in society, international affairs." The *Journal* has begun to show more interest in popular culture: last year Arts Editor Manuela Hoelterhoff won a Pulitzer Prize in criticism, and reviews are the centerpiece of a new daily arts and leisure page. The political writing of Washington Bureau Chief Albert Hunt is elegant and informed, and it inspires the same in his 35-member bureau. The paper opens its Op-Ed columns to liberals and gadflies such as Hodding Carter and Alexander Cockburn. As a result, the *Journal* has won a following even among its ideological opposites. This month a cover story in the partisanly Democratic *New Republic* praised the *Journal* as "the definitive newspaper of political economy."

The *Journal* is deliberately dull to look at, especially on its tombstone-like front page. Photographs appear only in advertisements, and illustration is limited to a handful of line drawings. The emphasis on copy allows the paper to cram its coverage and extensive stock and bond tables into about 22 pages of news space. Says Kann: "We recognize that the paper should not grow too big—it would lose its convenience and utility."

Although the *Journal* is written essentially for the business community, and is often shrill in its editorial page conservatism, the news columns are eminently fair. Indeed, the paper is sometimes at odds with itself: the editorial page has asserted repeatedly that the Soviet Union is

St. Petersburg Times

DAILY CIRC.: 243,000
SUNDAY: 310,000

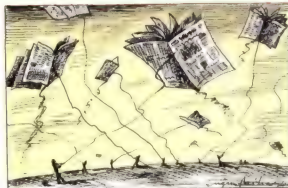
CHAIRMAN
Eugene
Patterson



engaging in chemical warfare in Asia in the form of "yellow rain," while *Journal* news reporting has offered other explanations for the phenomenon. The news staff takes pride in giving thorough coverage to the problems of labor and the unemployed, and in challenging the questionable practices of corporations. After Mobil Corp. President William Tavoulares sued the *Washington Post* for alleged libel for saying that he "set up" his son Peter in a shipping company, the *Journal* reviewed the circumstances in a story that was far more careful than the *Post*'s but equally tough on Tavoulares.

The Washington Post

In the wake of the *Post*'s courageous and successful exposure of the sins of the Nixon Administration, young reporters throughout the U.S. became so infatuated



Big Fish in Small Ponds

Some of the best journalism in America is produced by newspapers that are too small ever to qualify for a ten best list but that vigorously pursue issues in their communities. These dailies and weeklies are the traditional training ground for big-city journalists. The best of them, moreover, hold on to some dedicated staffers who could work practically anywhere. Editor Albert Scardino of the weekly *Georgia Gazette*, who won a Pulitzer Prize last week, is a graduate of Columbia and the University of California at Berkeley who worked for the Associated Press, the *Baltimore Sun* and the *Atlanta Constitution*. In 1978 he re-

turned to his home town to battle what he saw as the sluggish daily *Savannah News and Press*. The *Gazette* broke a succession of stories, not always to the delight of readers: the paper was nearly put out of business by advertising and circulation losses after it violated the wishes of a prominent local family and reported in 1980 that a missing son had in fact been kidnaped. Says Scardino: "I never thought that just because a publication was small, the journalistic standards were different."

Not all noteworthy smaller papers are as feisty and controversial as the *Georgia Gazette*, but they all seemingly share that philosophy and apply it in all sorts of settings. The *Akron Beacon Journal* (circ. 163,300), *Kansas Wichita Eagle-Beacon* (circ. 120,900), *Oregon's Eugene Register-Guard* (circ. 65,200) and *North Carolina's Fayetteville Times and Observer* (combined circ. 66,900) serve sizable communities away from big cities. They are matched in quality by suburban competitors of papers on *TIME*'s ten best list: the *Quincy Patriot Ledger* (circ. 89,300) south of Boston, the *Bergen County Record* (circ. 149,200) in northern New Jersey, the *Los Angeles Daily News* (circ. 132,900) in the San Fernando Valley. Some of these medium-size dailies, such as *North Carolina's Raleigh News and Observer* (circ. 129,600), *Alaska's Anchorage Daily News* (circ. 49,200) and *Mississippi's Jackson Clarion-Ledger* (circ. 69,900) have earned recent Pulitzers.

One of the most enterprising is Florida's *Fort Myers News-Press* (circ. 64,200), which sends its reporters on what it calls "guerrilla raids" into the news territories of bigger papers—to cover racial unrest in Miami, for example, or terrorism in Central America. *News-Press* investigative reports led to the cancellation of a \$1 million road-and-bridge project that would have benefited only the developer of a proposed housing tract,

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EXECUTIVE EDITOR

Benjamin
Bradlee



PHOTOGRAPH BY

spent a year checking on the operators of a low-cost housing venture in Washington, and their findings will be weighed by a grand jury.

A Grand sociologist once remarked that the New York Times newsroom is a symphony orchestra, while the Post's is a jazz band. That blaring, brassy, improvisational quality is most evident in the Style section, a much imitated feature that may lead with a book review one day, take a gossipy look at Embassy Row cocktail bashes the next, then weigh in with an exhaustive account of an unknown couple throwing a party to celebrate their divorce. The section, although sometimes self-indulgent and verbose, attracts much of the best prose in the Post, especially from Columnist Henry Mitchell. Feature Writer Myra MacPherson, Book Critic Jonathan Yardley and TV Critic Tom Shales. Nonetheless, the paper's culture coverage is spotty and seems driven more by the tastes of particular Post writers than by the interests of the reader.

Like the majority of the ten best papers, the Post faces the prospect over the next several years of replacing the man who guided it to its present eminence. Executive Editor Benjamin Bradlee, 62, has run the Post since 1965 and has given it much of its personality. The eventual change of command may relieve the paper of some of its combative impetuosity. With luck, it will retain its vivacity and panache.

—By William A. Henry II,
Reported by Marilyn Alva/Miami, Marcia
Gauger/New York and Don Winbush/Chicago,
with other bureaus

with aggressive investigation, so sure that a scandal lurked behind every closed door, that eventually a disdainful public began to comment on the "post-Watergate syndrome." Nowhere did the syndrome take hold more than at the Post itself, and nowhere does it hold more sway. A tone of suspicion, often anger, pervades many news stories. Some political pieces sound more like editorials: a reporter's interpretive rebuttal often appears higher in the story than the official statement he or she is rebutting, especially in stories about the Reagan Administration's policy in Central America. The Post is often arrogant, and is so inclined to mistrust anyone who challenges a reporter's accuracy that for months its editors ignored widespread doubts about the authenticity of Feature Writer Janet Cooke's profile of "Jimmy," a purported eight-year-old heroin addict;

two days after the article was awarded a 1981 Pulitzer Prize, the Post belatedly announced that it was a fake.

Troublesome as such episodes have been, and wearying as its often sloppy, overwritten coverage can be, the Post remains the nation's second most influential paper. It reaches beyond White House handouts and glamorous legislative debates to probe scandals, follies and policy debates in obscure federal agencies. In this capacity it serves as an invaluable watchdog. Columnists Mary McGrory, Richard Cohen and George Will have mastered the art of arousing emotion without overlooking ideas. The paper's metropolitan staff brings much the same assiduity to the diverse politics of Maryland, Virginia and the District of Columbia. The Post also has a sincere commitment to helping the poor. Two reporters

and to the conviction of a county commissioner for accepting a bribe in the form of services from prostitutes. News-Press editors provide crisp color and clear maps and charts and give play to national and foreign stories of import, whether or not they are of obvious interest to readers.

It is hard for papers with small circulations (less than 40,000) to be enterprising because their resources are spread thinly. Two of the best are family legacies: Virginia's Fredericksburg Free Lance-Star (circ. 30,600) and Alabama's Anniston Star (circ. 30,000). In Fredericksburg, Brothers Charles and Josiah Rowe let their 33 staffers break free of routine meeting coverage often enough to provide noteworthy series on local business development and, in 1982, on corporate lobbying efforts to win state approval of a uranium-mining project. The paper has crusaded so long about freedom of information that the city council now routinely provides it with copies of all the paperwork exchanged among council members. Managing Editor Robert Baker is one major league journalist who heeded the siren song of small-newspaper coverage: after 25 years at the Washington Post, he returned in 1976 to the daily where he got his start. Under its late publisher Harry M. Ayers, Anniston's daily built a national reputation for courage in supporting the 1960s civil rights movement. The moderately liberal editorial policy of his son H. Brandt Ayers still causes some local conservatives to brand the paper the "Red Star," but it has helped attract to the Appalachian foothills a staff that includes promising graduates of such schools as Harvard, Yale and Duke. Reporter R. Robin McDonald last year overcame tight security to detail how a mix-up at a U.S. Army hospital resulted in the deaths of three patients who were given argon gas instead of oxygen.

The same doggedness has for decades been the hallmark of

Texas' Orange Leader (circ. 11,300). Says Editor Robert Axelson: "We have a responsibility to staff every entity that has anything to do with the daily lives of people in the county." The eleven reporters have little time to worry about style; they churn out ten to 15 stories a day, on everything from government meetings and drunken-driving arrests to the reasons why a shipyard that once employed 2,000 has been closed for more than a year. Axelson describes the paper's editorial-page voice as "cantankerous." A typical lead: "Our four lame duck county commissioners are likely to step down this year leaving a legacy of bad budget planning that will burden every Orange County resident for years."

The classic image of a weekly's editor is someone who writes much of the copy himself, shifting effortlessly from reporting weddings, births and vacation trips to crusading against corruption. One lively example is Homer Marcum, 36, who in 1975 left an established local paper to launch his own weekly Martin Countian (circ. 4,000) in the eastern Kentucky hamlet of Inez (pop. 500). Marcum has clashed with the coal industry on environmental issues, and with the local Republican political machine, which, he alleges, buys votes in the guise of "assisting" people in the use of ballot machines. Since 1978 the Martin Countian has printed the name of every person who assisted a voter, and as a result, Marcum claims, the practice is diminishing. The Martin Countian seeks to be judged by its enemies, and the paper has them: it has been sued seven times for libel but has yet to lose a case. Marcum has been punched by people he wrote about and arrested on charges that were quickly dropped. Says he: "Martin County is a good example of what can happen to a place when it receives no media attention. That is the breach I stepped into."

Law



State police haul away marijuana plants after raiding a Kentucky field

The Boundaries of Privacy

A court O.K. for police searches of factories and fields

The Fourth Amendment bars "unreasonable searches and seizures" by Government agents. But where exactly should the line be drawn? Is it "unreasonable" when 15 to 25 armed agents of the U.S. Immigration and Naturalization Service descend on a factory without warning, seal off the exits and systematically interrogate employees? Or when police ignore fences and no-trespassing signs to search private land for marijuana plants without a warrant? In recent years the Supreme Court has appeared to push the boundaries in the direction of the Government, and last week, in cases involving factory searches and open fields, it did so again.

The immigration case was brought by four Los Angeles-area garment-factory workers who were questioned but not arrested in INS raids in 1977. By a 7-to-2 vote, the court upheld the constitutionality of the INS interviews. Writing for the majority, William Rehnquist noted that individuals who are not under arrest have the right to ignore and walk away from police who want to question them. That being so, Rehnquist continued, the factory workers "could have had no reasonable fear that they would be detained" if they refused to answer the questions of the INS agents or chose to leave the factory while the raids were going on. William Brennan, joined by Thurgood Marshall, wrote in dissent that the decision had a "studied air of unreality," since the INS raids were "of sufficient size and force to overbear the will of any reasonable person."

In the marijuana cases, the high court relied primarily on a 60-year-old decision by Oliver Wendell Holmes that involved a South Carolina moonshiner who dumped illegal liquor in a field near his home.

Holding that revenue officers could testify about the liquor, Holmes said that "the special protection accorded by the Fourth Amendment to the people in their 'persons, houses, papers and effects' is not extended to the open fields," even when the land is the suspect's own property. The Burger court, by a 6-to-3 vote, found that the same principle applied in two cases from Maine and Kentucky, though the crops of marijuana confiscated as evidence were in fenced-off areas posted with no-trespassing signs. In upholding the warrantless searches, Justice Lewis Powell found that the landowners had "no reasonable expectation of privacy" because "open fields do not provide the setting for those intimate activities that the amendment is intended to shelter from Government interference or surveillance."

Some constitutional scholars fear that the high court decisions give the police too much leeway to conduct searches. Law-enforcement officials, however, embraced the rulings gratefully. The INS considers factory raids its best method for finding illegal aliens inside the country and had limited such operations pending the court's action. Local police were most pleased by the open-fields decision. "Without this ruling, it would be almost impossible to continue our enforcement effort," said Captain Louis Stiles, commander of the Kentucky state police narcotics unit. His state is one of many in which "home-grown" marijuana has become a major cash crop. Some law-enforcement authorities believe that the Supreme Court decisions not only allow police to search fields on foot without a warrant, but give implied endorsement to the widespread use of helicopters and airplanes that fly over remote rural areas in search of the illegal weed. ■

Falling Crime

The FBI reports a turnaround

In the worst mass murder in New York City history, ten people, including eight children, were shot dead, execution-style, in a Brooklyn apartment last week. In New Hampshire, Christopher Wilder's cross-country odyssey of kidnap, rape and murder ended in his shooting death during a struggle with police. In Texas, Henry Lee Lucas, who boasts of killing some 360 people, was condemned to death for one of those murders. Against that shocking tableau of recent criminal violence, many Americans might find it difficult to credit some good news from Washington last week: crime, said the FBI, declined more sharply during 1983 than in any other year since 1960.

The number of serious crimes reported to the police last year, according to the bureau's Uniform Crime Report, dipped 7%. The downturn comes after a 3% drop in 1982 and no increase in 1981. The 1983 decrease was across the board; violent crimes (murder, rape, robbery and aggravated assault) were off 5%, while property crimes fell 7%. The biggest declines: burglary (-10%) and arson (-13%). The trend was consistent throughout the country, affecting communities of all sizes.

FBI and other police officials conceded that the two-year fall-off brings the number of serious reported crimes down only from the levels of 1980 and 1981, the highest ever recorded. But some criminologists are cautiously suggesting that the statistics do mark the beginning of a long-term decline. A principal cause, they argue, is the aging of the post-World War II baby-boom generation, which is now maturing from its most crime-prone years.

Reagan Administration officials prefer more political explanations. "This marvelous news proves we are beginning to win the battle against crime," said Attorney General William French Smith. Steven Schlesinger, head of the Justice Department's bureau of justice statistics, attributes the new numbers to a national hard line on crime that has led to tougher sentences and sent the prison population skyrocketing. Schlesinger and others also give credit to the recent proliferation of neighborhood crime watch and other community self-protection projects.

Some analysts are so distrustful of FBI statistics that they refuse to attach any meaning at all to the latest numbers. The Police Foundation's Lawrence Sherman charges that the statistics are not only riddled with errors but subject to all kinds of bureaucratic and political manipulation on the local level. Has crime really declined? "It's anybody's guess," says Sherman. "I'm not going to stand up and start cheering." ■

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People



Go west, young prince: Andrew brimming over in Los Angeles

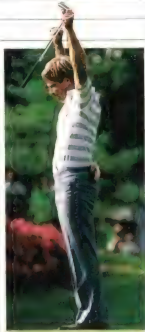
Considering his celebrated penchant for life in the fast lane, it seemed fitting that **Prince Andrew**, 24, showed up last week in the land of eight-lane freeways, Hollywood and the 1984 Summer Olympics. The official reason for Andrew's visit to Southern California was to raise money for the British Olympic Association. Nevertheless, there was plenty of time for the usual folderol: a chat with **Nancy Reagan**, a visit to the set of *2010* (sequel to *2001: A Space Odyssey*) and a meeting with members of the Los Angeles Hispanic community during which the prince donned a splendiferous sombrero. All went swimmingly the even got

a souvenir surfboard) until a stop at a vacant house in Watts, an economically depressed black section of the city, where Andrew turned characteristically prankish. Picking up a workman's spray gun, he pointed it at a gaggle of onlooking reporters—and then doused them with white paint. "I enjoyed that," said the pleased prince. The journalists were not amused. Amid grumbles of ruined camera equipment, the *Los Angeles Herald-Examiner* presented the British consulate with a bill for \$1,200.

"This has great political significance. This is the political symbol of 1984." A beau jest, but what precisely did Democrat and former National Security Adviser **Zbigniew Brzezinski**, 56, mean? Forget about it. After all, he was not mounting a podium but an elephant last week at the Palm Beach Polo and Country Club in Wellington, Fla., a polo-on-pachyderm stunt to acknowledge the sport's 1862 origin in India. Meanwhile, news came of a more cerebral contest, which should give comfort to technowarriors worried about American superiority. Brzezinski, a chess buff, has a U.S.-made computer chess program while his Virginia neighbor, New York Representative **Stephen Solarz**, 43, has a Hong Kong-designed program. The two decided to send their computerized pieces into battle.

With both programs set at difficulty Level 2, Brzezinski's American Chess Challenger was an easy victor. Solarz went to Level 3. No good. Level 4. Though still playing at Level 2, Challenger again prevailed. Harrumphed Solarz: "The important thing is I still beat him in tennis."

Despite his reputation as one of golfdom's best putters and despite having won \$1.8 million in prize money, **Ben Crenshaw**, 32, had never won a major tournament in eleven years on the pro tour. But last week "Gentle Ben" finally got there as he captured the 48th Masters in Augusta, Ga. The easygoing Texan took command with a stunning 60-ft.



A jubilant Crenshaw at the tenth



Block: finger-pickin' good

birdie putt at the tenth, finishing two strokes ahead of Tom Watson, with a score of 277. "This is a sweet, sweet moment," said Crenshaw as he donned the tournament champion's traditional green Masters jacket. "I don't think there'll ever be a sweeter moment. It's a feeling of relief more than anything."

Standing in the wings, he was as nervous as cold water in a hot pan. Then Country-and-Western Veteran **Roy Acuff** introduced him as "a plain ole country boy from Illinois." And out onstage came Secretary of Agriculture **John Block**, 49, making his singing debut at

the Grand Ole Opry in Nashville. Block strummed his guitar and crooned a little bit of *Crying My Heart Out over You* and *Blue Eyes Crying in the Rain*. America's top farmer was on key but had a little trouble keeping time with the Opry band. "I wonder how that fellow marched at West Point," said a listener. "To a different drummer," replied someone else. As for Block, he told the generally appreciative audience: "I'm so excited I could almost explode. You know, I don't perform professionally." Why, shucks, John, course not.

—By Gay D. Garcia

On the Record

Richard Halverson, 68, chaplain of the U.S. Senate, on "word merchants" in the chamber: "Help them to appreciate the power of words . . . to honor, to disparage; to encourage, to disapprove; to comfort, to embarrass; to edify, to offend; to strengthen, to weaken; to motivate, to immobilize; to give hope, to frustrate; to purify, to pollute; to build, to destroy."

Archibald Cox, 71, former Watergate prosecutor, on being required to retire this year as a Harvard law professor: "I am presumed to be senile."



Brzezinski atop swinging symbol

Medicine

Knowing the Face of the Enemy

U.S. and French teams believe they have found the AIDS virus

It was high noon in Bethesda, Md., home of the National Institutes of Health. The scene: a small French restaurant with hanging baskets and beamed ceiling. On one side of a table sat Dr. Robert Gallo, 47, a brash NIH scientist who started life as the son of a small-town welder and has become one of the nation's leading cancer researchers. Sensitive about his diploma from Jefferson Medical College in Philadelphia ("I had to fight to prove I was good, because I didn't go to Harvard"), Gallo gained a reputation in 1980

as Curran began calling out the sample numbers.

Curran said: "M5."

Gallo replied: "M5, positive."

Again, Curran: "M28."

Gallo: "M28, positive."

So it went for an hour, until all the samples had been covered. In the end, Gallo won: signs of his virus were present in blood from AIDS patients and not in the others; he had correctly identified nearly all of them.

The respected journal *Science* will soon publish four papers that describe Gallo's isolation of a virus that appears to be the cause of AIDS. "He is going to nail it down cold," predicts AIDS Researcher Anthony Fauci of NIH. But as word of the discovery began to leak out last week—notably in an article in *New Scientist* magazine based apparently on advance copies of Gallo's papers—a scientific team in Paris rushed to call attention to their own work on an AIDS virus. A Nobel Prize was possible at stake, and Epidemiologist William Blattner of the National Cancer Institute (NCI) observed: "People are racing to grab the brass ring on this disease."

The French team is headed by Dr. Luc Montagnier of the renowned Pasteur Institute. In interviews with the U.S. press, Montagnier described a virus he and his colleagues had found in the blood of patients with the swollen lymph nodes and flu-like symptoms that characterize the early stage of AIDS. Like Gallo, the Pasteur researchers reportedly found signs of the virus in 80% to 90% of blood samples from AIDS patients. Both research groups affirm that the bugs they have found closely resemble the cancer-causing virus discovered by Gallo four years ago. The two groups suspect they have found the same virus. Notes Blattner: "The two labs are independent, but have been collaborating."

While scientists may bicker over who was first to discover the virus, the important news is that a breakthrough has finally been made in understanding the deadly AIDS epidemic. What matters, says Immunologist Allan Goldstein of George Washington University, "is that we now know the face of the enemy."

The discovery will enable doctors to attack a disease that has resisted all attempts at treatment and prevention: 43% of AIDS patients die within a year of diagnosis; no one has been known to recover. "This is the step that everyone has been waiting for," proclaims NCI Director Vincent DeVita. Plans for an AIDS vaccine are already being made at Gallo's lab. But the most immediate application of the discovery is a blood-screening test that could be used to protect the nation's blood supply

from contamination by the AIDS virus. So far 83 Americans, including 30 hemophiliacs, have contracted AIDS after receiving transfusions or blood products. According to Gallo, an accurate and inexpensive blood-screening test could be available within weeks.

No matter who gets the credit for the AIDS virus, there is no doubt that Gallo laid the groundwork for the discovery with his earlier research into cancer viruses. Says French Immunologist Daniel Zagurey of the University of Paris: "Without Gallo, there wouldn't have been any work on this at Pasteur. Their research is based on his initial discovery." Gallo's quest for the cause of cancer began in childhood. As a boy of 14, in Waterbury, Conn., he watched his younger sister die of leukemia.



Robert Gallo with a bottle containing HTLV-3

by becoming the first scientist to discover a virus that causes cancer in humans. Now he was claiming another victory: identification of a virus that causes acquired immune deficiency syndrome (AIDS), the disease that has killed 1,758 Americans since its first U.S. appearance three years ago.

Across the table sat Dr. James Curran, 39, a clean-cut epidemiologist with an advanced degree from Harvard. Curran heads the AIDS task force at the Centers for Disease Control in Atlanta, where more than 100 researchers have been working to discover exactly what Gallo claimed to have found. To test Gallo's claim, Curran had provided the NIH scientist with 205 anonymous blood samples, some taken from AIDS patients, some from healthy individuals. To make the test more challenging, samples were included from people with hepatitis and other infections. Gallo's task was to identify which samples had come from the AIDS patients on the basis of whether or not signs of his virus were present. Gallo pulled out his lab's results,



The renowned Pasteur Institute of Paris

The memory is still vivid: "She was an emaciated, jaundiced child with a mouth full of blood." His sister's pathologist became a family friend, and Gallo grew up accompanying him to his lab. In 1965 he joined the NCI and began the hunt for his sister's killer.

Almost from the beginning, Gallo's interest lay in the world of viruses. Since the turn of the century, scientists have known that certain types of viruses can cause cancer in cats, chickens, cows and other animals. Like all viruses, these cancer agents cannot reproduce unless they infiltrate a host cell and commandeer its reproductive machinery (see diagram). What makes the viruses distinctive is that their genes are composed of RNA rather than DNA. The genetic molecule found in most living things. Because RNA is a kind of mirror image of DNA, the viruses are called retroviruses.

Researchers had spent decades trying to determine if viruses played a role in human cancers. By the 1970s, most had given up, but Gallo persisted. He was helped by

the discovery in 1970 of an enzyme that is unique to retroviruses, a kind of chemical fingerprint. By looking for this enzyme Gallo was able to hunt down a retrovirus that causes a form of leukemia and lymphoma in humans. The discovery of this virus, called human T-cell leukemia/lymphoma virus, or HTLV, won Gallo a 1982 Albert Lasker award, the top prize in American medicine.

Not long after that triumph, Gallo heard about AIDS, most of whose victims were homosexuals, heroin addicts, hemophiliacs or Haitians. He was intrigued by the possibility that this disease could be related to HTLV. There were several provocative links. AIDS patients are extremely vulnerable to infections because they lack the normal number of protective white blood cells called T-cells. HTLV, Gallo knew, was a virus that homed in on precisely these cells. Gallo was also intrigued by the Haitian connection: HTLV is prevalent throughout the Caribbean. Finally Gallo, like many other investigators, was convinced a virus is involved in AIDS, since the disease was spreading the same way as hepatitis-B virus—through transfusions, dirty needles and semen—and that seemed proof enough. Said Gallo: "The more I heard about AIDS, the more it smelled right."

In 1982 he was made director of NCI's search for the cause of AIDS. He attacked the assignment in his usual confident style, telling associates, "I think we can solve it within two years." By then Gallo had developed a rainbow coalition of accomplished researchers: microbiologists from Japan and India, tissue-culture experts from Eastern Europe, geneticists from mainland China, a clinician from Denmark. They had come from the far corners of the earth to work with the fiery, jet-set scientist who holds staff meetings on the run in corridors and parking lots before flying off to conferences on other continents. His clocks are set five minutes ahead, and he drives his four-door Nissan through Washington as if it were a Maserati. He is competitive to a fault, vain about his appearance and accomplishments. "Few people like him," observes Immunologist Zagurey. "They either love him very much or they do not, very much."

Together with Harvard's Max Essex, Gallo began testing samples of blood taken from AIDS patients for evidence of HTLV. The results were ambiguous: about one-third of the samples contained antibodies to the virus, too small a percentage to be meaningful. By 1982 Gallo's lab had identified a new form of HTLV, named HTLV-2. But this variant strain also proved uncertain as the cause of AIDS.

Gallo's team was convinced that a retrovirus was involved in AIDS. The trademark enzyme of retroviruses was frequent-

ly present in the AIDS blood samples. The trouble was that it would be there one week and gone the next. Finally an explanation was found: the virus was rapidly killing off T cells in the blood samples, the very cells in which it lived. Once the T cells

demic to equatorial Africa, where it may be the commonest cause of leukemia. From Africa, Gallo hypothesizes, the virus traveled via the slave trade to the Caribbean, Latin America, and southern Japan, where Portuguese traders brought African slaves.

HTLV-associated cancers are common in these regions.

Somewhere along the line, the HTLV-3 strain of the virus evolved. Again, Gallo believes, this may have happened in Africa: "The virus may have been around in the bush for some time, but with mass migration into cities, crowding and prostitution, what was contained at a low level became a problem." One piece of evidence: Kaposi's sarcoma, a skin cancer to which AIDS patients are prone, has been prevalent in central Africa for decades. In recent years doctors have discovered that AIDS is common in the region. According to Belgian Dr. Peter Piot, an expert on tropical diseases, "The problem is at least as great as it is in the highest-incidence areas of the U. S., like New York and San Francisco."

While few scientists question the significance of the work of Gallo and the Pasteur Institute, one important piece of evidence is still needed to prove conclusively that HTLV-3 is the cause of AIDS: it must be shown that exposure to the virus produces the disease. The next big task is to find an animal, preferably a primate, that will develop AIDS when infected with HTLV-3. Once this is done, a vaccine can be tested in the animal. In the view of Dr. Stanley Plotkin, of the University of Pennsylvania, who has helped develop vaccines for polio, rabies and cytomegalovirus, "There is no doubt that an HTLV-3 vaccine can be made." The only concern, he says, is time: "It would be idle optimism to expect a vaccine for AIDS in less than three years, and that would be express."

The initial benefits of the discovery will be the tests to screen out AIDS-contaminated blood and to diagnose the disease at very early stages. Both Gallo and the French have already shown that the virus is detectable in patients with very early symptoms of the disease and perhaps in infected individuals who have yet to develop any symptoms at all.

Unfortunately, the discovery offers little immediate hope for the more than 3,000 Americans and scores of people overseas suffering from AIDS. Immunologist Michael Gottlieb of U.C.L.A., who was the first doctor to report a case of AIDS, sums up the significance of finding the virus: "It is very important for our ability to protect the blood supply. It is exciting, encouraging and a credit to the research effort. But, alas, this is not a solution to the AIDS problem."

—By Claudia Wallis

Reported by Dick Thompson/Bethesda

THE VIRUS INVASION



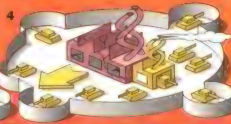
1
HTLV virus invades infection-fighting T-cell



2
Virus sets up its own genetic factory



3
Converted factory manufactures virus in quantity, and weakened cell can no longer perform infection-fighting role



4
Virus breaks away, and new viruses invade other T-cells

in the sample were destroyed, the virus and its enzyme would disappear without a trace. Eventually a way was found to keep AIDS-infected T cells alive in culture. Gallo was then able to isolate the virus. Because it was structurally similar to the other viruses he had discovered, he named the AIDS virus HTLV-3.

Gallo's theory is that the ancestor virus of AIDS was born in Africa. HTLV-1 is en-

Milestones

The Last Commander Falls

Mark Wayne Clark: 1896-1984

Rangy, brash and big-beaked, he was the "American eagle" to an admiring Winston Churchill. Though he took part in three wars, Mark Wayne Clark won his greatest renown as the World War II soldier who led the first army in history to fight all the way up the Italian boot from toe to top. In 1943, at 46, he was the nation's youngest three-star general when he was picked by Dwight Eisenhower to organize the U.S. Fifth Army in Africa. At his death last week of cancer in Charleston, S.C., General Clark, 87, was the last of the great wartime commanders.

Churchill had dubbed the Mediterranean "the soft underbelly of the Axis," Clark noted drily. "It was not so soft." The Italian campaign was the war's most grueling, taking 20 long months and some 300,000 Allied casualties. The forces under Clark faced a German army that for most of the bitter struggle was greatly superior in manpower, ammunition and equipment. The Allies were pitted as well against cruel weather and the narrow, mountainous Italian peninsula, whose terrain precluded sweeping armored advances. Clark had to fight equally frustrating vagaries of politics and strategy. Despite his bitter protest, many of his battle-seasoned troops were diverted after D-day to the invasion of Southern France, virtually halting Clark's advance. Many historians think it plausible that had he been allowed to drive to the Balkans, the Soviets would never have achieved their ensuing hegemony over Eastern Europe.

A West Pointer and third-generation soldier, Clark was wounded as a captain

in France during World War I but did not see action again until the landing in Salerno in September 1943. He first piqued the nation's imagination a year earlier, when he was smuggled into Algeria by submarine on a mostly successful cloak-and-dagger mission to win French support for



After the liberation of Rome in 1944

The Axis underbelly was not so soft.

the imminent Allied invasion of North Africa. Known for his humor and daring, Clark was nearly killed on several occasions while leading his troops; he once personally spearheaded an attack on 18 German tanks. His polyglot force included 26 nationalities, as well as the first black American combat troops and

a heroic Japanese-American contingent. Clark was a commander who cared about his men, tending to often tiny details of morale or special needs.

He seldom held his tongue when he disagreed with superiors. Eisenhower, a friend from West Point who knew him by his middle name, frequently had to soothe him: "Now, Wayne, keep your shirt on." Clark was often mired in controversy. His attempt to cross the heavily defended Rapido River failed dismally, costing 1,681 casualties in three days. Critics also faulted him for his drive on Rome, contending that he might have destroyed the German army if he had chased the foe instead of the glory of being the first Allied commander to enter the Eternal City. He was blamed as well for the destruction of the famed Benedictine monastery atop Monte Cassino, although he vehemently opposed its bombing.

From Italy, Clark went to occupied Austria as Allied High Commissioner and learned there that the only argument the Soviets respected was force. He faced even more obdurate Communists in Korea, where he became Far East commander in 1952 and had to negotiate "an armistice without victory." He retired in 1953 and until 1965 commanded the Citadel, the historic private military college in Charleston, S.C., where he was buried.

Notwithstanding the criticisms, Mark Clark was a soldier of brilliance and integrity. At the Italian campaign's lowest ebb, Eisenhower told him from London, "You are writing history that Americans will always read with pride." Ike's words were echoed by President Reagan last week: "We are free because of men like him. His professionalism and dedication will be the standard of every soldier who takes the oath to defend our nation." —*By Michael Demaree*

EXPECTING. Caroline, 27, elder Princess of Monaco, and Stefano Casiraghi, 23, scion of a wealthy Milan industrialist: their first child; this summer. The palace announcement confirmed rumors fueled by their hastily arranged Dec. 29 wedding.

MARRIED. Colleen McCullough, 46, Australian meganovelist (*The Thorn Birds*) who for three years has lived on tiny Norfolk Island, 900 miles east of Brisbane, and Ric Robinson, 33, Norfolk Islander who two years ago painted her house to earn money for a palm plantation; she for the first time, he for the second; near Sydney.

RECUOPERATING. Michael Jackson, 25, rock-soul superstar; from an 80-minute laser surgical procedure to remove a palm-size patch of scalp tissue scarred from burns received while he was making a TV commercial last January; in Culver City, Calif. Healthy, hair-growing tissue was drawn across the area and stitched in place.

RECUOPERATING. Andrei Sakharov, 62, dissident Soviet physicist and Nobel Peace prizewinning human rights activist; from reportedly successful surgery to remove a blood clot in his leg after an attack of thrombophlebitis, from which he has suffered for several years; in Gorky, where he was exiled four years ago.

DIED. Dennis Keogh, 44, career U.S. State Department official, and Lieut. Colonel Kenneth Crabtree, 45; in a terrorist bomb explosion at a gas station just outside Oshakati, Namibia. Both were members of a U.S. liaison team monitoring the cease-fire in Namibia. South West Africa People's Organization (SWAPO) guerrillas were blamed by South African officials for the attack, but denied the charge.

DIED. Frank ("Machito") Grillo, 76, Cuban-born bandleader whose 1940s Afro-Cuban dance bands wedded advanced jazz harmonies, big-band instrumentation and

pulsing Latin rhythms, helping create salsa and change the course of modern jazz; of a stroke; in London. After World War II, such bebop jazz artists as Dizzy Gillespie and Charlie Parker adapted his Afro-Cuban sound to small-group jazz and often performed and recorded with Machito.

DIED. Mabel Mercer, 84, reigning queen of cabaret singers for nearly 70 years, whose unsurpassed ability to turn even the most banal tune into a timeless vignette of love and loss delighted generations of supper-club audiences; of heart disease; in Pittsfield, Mass. Born in England of a white English mother and black American father, Mercer gained renown at Bricktop's Paris cafe in the 1930s and went to the U.S. in 1939. As her husky contralto began to fail, she honed her unique blend of cadenced speech and vocalizing, delivering such songs as *Fly Me to the Moon* and *While We're Young* with consummate phrasing and timing. Said she: "It's all in the punctuation."

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Theater

Genius, Menace and Chicanery

From three gifted playwrights, the topics and blessings are mixed

LAUGHING STOCK

It must have occurred to everyone who has ever tried to teach a course in creative writing: What would happen if an authentic genius somehow stumbled into class? But it is Romulus Linney who has finally done something wonderful with the notion. In *F.M.*, the masterly miniature that is the centerpiece in this evening of one-acters off-Broadway, he places at one end of the seminar table a prim-looking teacher (Frances Sternhagen) whose lack of success as a novelist has not yet sapped her idealism. At the other end sits Bufford Bullough (Leon Russom). Bufford looks like Thomas Wolfe, writes like William Faulkner and carries around with him in a cardboard box the burden of his dreams: a thousand-page manuscript and a bottle of booze. It is hard to say whether the other students (Peggy Price, Jane Connell) are more appalled by the erotic spew of language in Bufford's work or by the way their teacher reaches across the barriers of age, sex and class to acknowledge the right of great gifts to wrap themselves in socially unappetizing forms. What one can say is that her act of commitment to another committed writer turns rich comic turmoil into touching drama.

At 53 still one of the American theater's most mysteriously buried treasures, Linney, who also teaches writing, is obviously speaking from the heart here. *Laughing Stock's* other short plays are sly: an anecdote about death and telephones and a shaggy-dog story about an old woman's discovery that her 70-year marriage was founded on a sly joke. But they too are marked by Linney's singular talent for stating wild ideas with high, simplifying intelligence and for drawing deft portraits of the half mad in which not a line is misplaced or wasted. —By Richard Schickel

OTHER PLACES

The dialogues in a Harold Pinter play are pitched battles between speech and silence. The speaker marshals all the resources of colloquial language—wit, wheedling, anecdote, abuse—while the listener waits out his opponent and, often as not, wins the battle by withholding approval, by being as silent as God. Such, too, is the uneasy symbiosis of Playwright Pinter and his audience. In these three short plays that Alan Schneider has mounted off-Broadway (two of them first performed at

London's National Theater in 1982, the third earlier this year), Pinter dramatizes this relationship through three memorable audience surrogates, each a displaced person from an intellectual twilight zone.

Victoria Station, the opening skit, is an edgy conversation between a per-



Price and Russom in *Laughing Stock*: an erotic spew



West in *Other Places*: twilight zone



Daniels and Worth in *The Golden Age*: an unknown chapter

plexed London taxi-fleet dispatcher and a maddeningly vague, or vaguely mad, cab driver (Kevin Conway). *One for the Road*, set in an unidentified police state, offers the horrific spectacle of the torturer as business executive, bantering with his victims as he sends them off to be flogged, raped or killed. In *A Kind of Alaska*, a middle-aged woman (Dianne Wiest)

awakes from a 29-year siege of sleeping sickness to confront a reality at pathetic odds with her memories and hallucinations. Dispatcher, torture victim, woman, all struggle valiantly to understand a new world of menacing mystery.

In *Alaska* Pinter has taken a TV-movie disease-of-the-week subject and alchemized it into a searing, sympathetic portrait of a lost soul who must seek solace in the dreams and embarrassments of an idyllic girlhood. Wiest's performance is an astonishment. Every word she speaks rings with both a child's self-possession and a flinty woman's solitude: each step she takes is as shaky as an inebriate's on a tightrope in a high wind. And Pinter, by daring to be accessible, has fashioned a small miracle of a play. —By Richard Corliss

THE GOLDEN AGE

For every great writer's widow or lover who wants to destroy letters and diaries containing the secrets of the past, there is some literary snop who longs to publish them. Such a struggle is the theme of Henry James' *The Aspern Papers*, and that marvelous 1888 novella is in turn the inspiration for *The Golden Age*, A.R. Gurney's comic update, which opened on Broadway two weeks ago.

In Gurney's version, the precious papers are a lost chapter of *The Great Gatsby* in which Gatsby manages to bed Daisy Buchanan. Irene Worth is Fitzgerald's former mistress who protects that cache, and Jeff Daniels is an English instructor who will do anything, including going to bed with Worth's homely granddaughter (Stockard Channing), to obtain it.

Gurney (*The Dining Room*, *The Middle Ages*) has a sure sense of structure and an ear for dialogue. But his play is irreparably flawed where it veers away from the original. In James' story the old woman never mentions any letters and finds out only at the end what her boarder is after. "Ah, you publishing scoundrel!" she hisses. In Gurney's play, the woman demands that the young man write her biography and teases him with Fitzgerald's lost chapter. Her anger when he tries to sneak away with it makes no sense. Her character is ultimately unbelievable, as is that of the instructor, who conveniently falls in love with the granddaughter and forgets Fitzgerald.

Worth is, as ever and always, in supreme command of the stage, and Channing and Daniels are both capable performers. John Tillingier's direction is competent and Designer Oliver Smith's Manhattan town house is lovely. The problem here is the playwright, who should have followed the master's plan all the way or not at all. —By Gerald Clarke

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Books

Listen to the Mockingbird

HOME SWEET HOME by Mordecai Richler; Knopf, 291 pages; \$16.95

That eminent sport psychologist and voyager Casey Stengel once analyzed the Canadian scene: "Well, you see they have those polar bears up there and lots of fellows trip over them trying to run the bases and they're never much good anymore except for hockey or hunting deer."

Stengel's critique neatly encapsulates a view that has remained unchanged since Voltaire dismissed North America as "a few arpents of snow." Edmund Wilson gamely attempted to make his neighbors fascinating in a historical survey named for the country's national anthem, *O Canada* (1965). Pauline Johnson, Hugh MacLennan, Morley Callaghan above the St. Lawrence Seaway these are names from a literary pantheon. Below it, they are authors out of print.

All this has done nothing to discourage Novelist Mordecai Richler (*The Apprenticeship of Duddy Kravitz*, *Joshua Then and Now*). His 14th book, aptly subtitled *My Canadian Album*, is a mordant, witty brief for the defense of his homeland. As evidence, the Montreal native offers a series of diverse impressions of Canada's past imperfect and present tense. He lunches with Pierre Trudeau, and remembers an earlier Prime Minister, the gnome William Lyon Mackenzie King, who "nightly for 22 years sat by his crystal ball, beneath an illuminated portrait of his mum, and rapped with her spirit, seeking guidance on how much to tax, when to call an election and where to send the troops." He ventures toward the Arctic Circle, to Yellowknife, capital of the Northwest Territories, where the big golf tournament starts at midnight and the rule book states, "No penalty assessed when ball carried off by raven." Richler finds ecumenism where others see only ice, on Great Slave Lake, he is told, Indians net vast numbers of pike that end as gefilte fish in Chicago.

Sometimes the author suspects that the whole nation is a theater of the absurd. In the battle between Quebec's French separatists and its anglophone minority, violent verbal gestures are made. The provincial government forbids the use of the English word hamburger, "hambourgeois" is the meat substitute. In Montreal, police become provincial celebrities not by seizing heroin but by impounding 15,000 Dunkin' Donut bags because the printing is not bilingual.

Throughout his travelogue, Richler illuminates general truths with local anecdotes. A grieving memoir reveals the dark side of the immigrant experience and the author's love for his father: the lifelong failure who "came to Montreal as an infant, his father fleeing Galicia. Pogroms

Rampaging Cossacks. But, striptease shows aside, the only theater my father relished, an annual outing for the two of us, was the appearance of the Don Cossack Choir at the St. Denis Theater. My father would stamp his feet to their lusty marching and drinking songs; his eyes would light up to see those behemoths, his own father's tormentors, prance and tumble onstage. Moses Isaac Richler, who



Mordecai Richler and a street scene in Montreal



Excerpt

“Whatever its problems, wonderful, demented Yellowknife has more spirit than any other town I know of in Canada. Take the referendum, for instance, called some years back to determine whether or not the town wanted home mail delivery. Yellowknifers voted a resounding 'No,' even though winter temperatures can plunge to 40 below zero, if only because during the long dark months many of them get to meet each other only when they pick up their mail at the post office. And then, a miner, stopped outside the post office by an inquiring photographer from the *Yellowknifer*, and asked what social facility, presently missing, would most enhance the quality of life in town, promptly replied: 'A warehouse.'”

never marched, nor drank, nor pranced.”

Richler often attempts to play Canada's mockingbird; in fact, his gibes are counterbalanced by praise. He was an expatriate from 1951 to 1972 and could have stayed in London. Instead, he returned to Montreal because "too many other expatriate Commonwealth writers... had been driven in exile to forging fictions set in the distant past, the usually dreaded future, or, indeed, nowhere. Which was sufficient to frighten me into trying home again. Six grueling months of numbing winter; in the absence of spring, a thunderbolt proclaiming summer, overnight as it were, and then our finest season, the autumn, achingly beautiful, the Laurentian hills ablaze with color, the skies a hard deep blue.

Even as he celebrates its beauties, the author never loses sight of his country's insularity: when Playboy Films wanted to produce adult erotica in Toronto, he reports, officials demanded to know how much Canadian content there would be in the features. But Richler also knows that the very tugs and pulls of opposing cultures give the country its alternately appealing and discordant character. "English Canadian nationalists," he concludes, "some of them consumed by blinding anti-Americanism, need only glance at the globe to appreciate that if we are

bordered on one side by voracious commercial appetite and a culture of a daunting vitality, we look out on the other on the Gulag Archipelago." And while he regards Quebec's Gallic ethnocentrism as "a nationalist aberration," Richler acknowledges that he "could not live anywhere else in Canada but Montreal—the most gracious, cultivated and innovative people in this country are French Canadians."

Richler is a cultivated, irrepressible travel writer. What separates this work from such analyses as Luigi Barzini's *The Italians* and Hedrick Smith's *The Russians* is not the author's insatiable curiosity but his comic despair. Other countries have less promising futures, Richler concedes, but he is certain that even in an epoch of prosperity, Canadians will somehow contrive to be outside with their cold noses pressed against the window. For him, an appearance on a U.S. talk show says it all. His fellow guests were Americans. Irving Stone and George Hamilton. Richler was eager to plug his volume of short stories, *The Street*. First the bestselling novelist and then the actor with a perpetual tan held forth, glibly. "Now it was my turn to shine," Richler recalls. "Our host, glancing at the studio clock, said, 'Sorry we never got a chance to mention your book...'"

O Canada.

—By Stefan Kanfer

Books

Invisible Men

CIVIL WARS by Rosellen Brown
Knopf, 400 pages, \$16.95

Teddy Carl, an idealistic white Mississippian, was a hero of the civil rights marches in the '60s who nearly died when his car was run off the road by enraged rednecks. Did die, clinically, the legend has it: doctors brought him back from beyond the edge. Should have died, probably, his life since then has been a washout. This is not because of his injuries, which left a facial scar but did no other permanent damage. It is because, as Novelist Rosellen Brown sketches him, he is temperamentally unsuited to be anything but the star of a protest movement.

Most civil rights pioneers long ago accepted an outcome somewhere between victory and defeat and went home. Home for Carl is an ideological stance; he, his wife and two children live, by his choice,



Rosellen Brown

Describing a vigorous, passionate struggle.

as virtually the only whites in a black development in Jackson. He holds down a plodding job as a traveling salesman of schoolbooks that cosmetize the '60s and neglect to mention evolution.

Jessie, a New York Jew who fought through the civil rights wars with her husband, wants to sell. Not sell out, just abandon a pose of high-minded poverty that is not accomplishing anything, and move to a decent house in an integrated neighborhood. Carl won't budge. Then his sister and brother-in-law, affluent segregationists from Birmingham, are killed in a car accident. Their two children, mannerly young racists, move in with Carl and Jessie. More space is needed, and Carl acquiesces sulkily when Jessie finds a larger house in a middle-class neighborhood.

With this change of scene, the novel shifts its focus from Carl's aimlessness to Jessie's desperate efforts to stabilize her in-laws' children at some workable level of sanity and racial tolerance. She succeeds,

it appears, with one, a hardy eight-year-old boy, and is on the point of failing with the other, a neurotic 13-year-old girl who wobbles in adolescent self-pity toward the Ku Klux Klan, suicide of both.

This struggle is worth all of the tough, vigorous, passionate sentences that the author throws into the battle. Unfortunately, Jessie comes to overshadow her husband, who would make a fine dramatic contrast to her if he were allowed to spend some time onstage. But Brown sends him packing off for days at a time on vague errands, while Jessie stays at home and copes. When Carl does involve himself in a misbegotten civil rights march, the action takes place beyond the reader's view. When he spends a few hours in the new house that he holds in such contempt, his behavior is noted through his wife's eyes, and Jessie's thoughts are on Jessie.

Late in the book a parallel is developed between Carl and Jessie's father, an oldtime Communist who once left his family for two years on party orders and who now spends his time grumbling about his wife's bourgeois taste in furniture. The coincidence of husband and father immobilized by idealism gone stale is interesting. But in the end it hurts a novel in which there is no adult male with substance enough to cast a shadow. This is true even for minor characters: an interracial couple friendly to Jessie and Carl consists of a black wife who is a shrewd, forceful lawyer and a white husband so nearly nondescript as to be invisible.

Well, why not? There is a lot of male invisibility going around these days. How should an out-of-date hero spend his time? Must idealism always be corrosive, as well as ennobling? Jessie does not know, but she is busy with the children. Can Carl see any glimmers of hope or despair? The reader never finds out much about this man, because Brown does not take the trouble to give him a fully drawn character. As things are, what we are given by this gifted author, who wrote the much praised 1978 novel *Tender Mercies*, is chiefly a very long list of Jessie's considerable troubles. These include a large flood, which serves the useful purpose of bringing the story to a close. You may be sure that Jessie handles it womanfully, and that Carl shows up when it is over, wringing his dry hands. —By John Skow

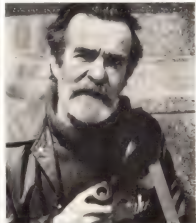
Out of Africa

NOTEBOOKS 1960-1977
by Athol Fugard; Knopf
238 pages; \$14.95

Shades of gray are hard to come by in South Africa. That beautiful, terrible land invariably tempts writers to reduce it to black-and-white terms, to find a moral in its every predicament, a sermon in its every scene. Playwright Athol Fugard, 51, has won international acclaim by resisting the impulse to moralize. Such dramas as

"*Master Harold*"... and *the Boys*, *Boesman and Lena* and *A Lesson from Aloes* do not preach against the evils of apartheid; they give institutionalized racism a human face, sometimes stolid, sometimes collapsing in laughter, tears or rage.

Notebooks 1960-1977 records Fugard's private struggle to become a public artist and to grasp the paradoxes of his troubled land. "South Africa," he notes in 1963, "needs to be loved now, when it is at its ugliest, more than at any other time." Fugard expresses his own love by stubbornly remaining at home, and by using drama as a form of Gandhian nonviolent resistance. That commitment has inevitably entangled him in a series of controversies. When leading British dramatists persist in boycotting South Africa with their plays, Fugard vehemently contends in 1968 that it is better to confront the regime with its sins than to remain silent. When ideology beckons, he recoils, resolving at last that he would rather reveal inhumanity poetically than revile it politically.



Athol Fugard

Capturing keening images for the stage.

"Tell the human story," he says, "and the propaganda will take care of itself." And when the Serpent Players, his all-black troupe of actors, are invited to perform privately before a privileged all-white audience, Fugard surprisingly accepts. But instead of the scheduled comedy, the company presents *The Coat*, a jolting play about a black man unfairly sent to jail.

Though matters racial preoccupy the diarist, *Notebooks* also displays Fugard in relaxed moods: exalting the clean wind and open sea, excitedly reading Camus, Gogol and works of Zen. But the real strength of his personal record is its collection of stories overheard, incidents chanced upon, sorrows glimpsed by accident—the random scraps out of which Fugard fashioned his plays. As he listens to a vagrant's life story, accompanies a friend to court, watches two blacks carrying a wooden box through the night, Fugard registers and captures the keening images that are the very stuff of vibrant theater.

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His choice of such details is by no means infallible. At one point he cannot resist beginning to sketch a simplistic, two-toned play about a milk truck and a coal truck. Often, too, he is so ready to find himself guilty of every kind of moral inattention and to punish himself unsparringly that his soul searching comes to resemble breast beating. Yet Fugard's relentless self-scrutiny guards him from the traps of self-indulgence. "Do I pose?" he asks himself. "I don't think so—but I'm very given to tears."

Tears, excesses and experimental poses are, in any case, the proper stuff of journals, and the raw diary form reinforces the reader's impression of Fugard's integrity and eloquence. Through the theater, Fugard found a way to forswear abstraction and root himself in the immediacy of flesh and blood, pain and sweat. Through his notebooks, he has managed to blend conscience with intelligence, leaving behind a trail of haunting questions. The darkness that pervades this book partakes not only of misery but of mystery as well: "The candle burns brighter because the night is dark."

—By Pico Iyer

Editors' Choice

FICTION: Edisto, *Pudgett Powell*
God's Pocket, *Pete Dexter* • Slow Learner, *Thomas Pynchon*
Sweeney Astray, *Seamus Heaney*
Testing the Current, *William McPherson* • The Unbearable Lightness of Being, *Milan Kundera*

NONFICTION: D.W. Griffith, *Richard Schickel* • The Knight, the Lady and the Priest, *Georges Duby* • Knock Wood, *Candice Bergen* • The March of Folly, *Barbara W. Tuchman*
"Son," *Jack Olsen* • Tales from the Secret Annex, *Anne Frank*

Best Sellers

FICTION

1. The Aquitaine Progression, *Ludlum (1 last week)*
2. Heretics of Dune, *Herbert (2)*
3. The Haj, *Uris*
4. The Butter Battle Book, *Seuss*
5. Pet Sematary, *King (4)*
6. Who Killed the Robins Family?, *Adler and Chastain (3)*
7. Smart Women, *Blume (5)*
8. The Danger, *Rancine (7)*
9. Warday, *Striber and Kuneita*
10. Lord of the Dance, *Garetsky (6)*

NONFICTION

1. Eat to Win, *Haas (1)*
2. Nothing Down, *Allen (5)*
3. The James Coco Diet, *Coco and Paone (2)*
4. Tough Times Never Last, but Tough People Do!, *Schuller (7)*
5. Motherhood, *Bombek (8)*
6. Putting the One Minute Manager to Work, *Blanchard and Lippert (6)*
7. Weight Watchers Fast and Fabulous Cookbook, *Weight Watchers International (3)*
8. Mayor, *Koch (9)*
9. Creating Wealth, *Allen (10)*
10. Lines and Shadows, *Wambaugh*

Computed by TIME from more than 1,000 participating bookstores.

Music

Tunes from the Deep End

The Pretenders hang tough and score a new triumph

There were two calls, very much the same, and after the first there was no need to go into detail.

Chrissie Hynde, lead singer, prime force and all-round soul shaker of the Pretenders, picked up the phone one morning in her London apartment and heard the voice of the band's manager. "What is it?" she said, and he said, "We've heard that Jim died. I'll call you back when I find out anything."

Not a year later, the manager called again. "Farndon" was all he said. "Oh," Hynde said, more prepared this time. "Talk to you later."

Within the sharp, scary trajectory that followed the band's formation in 1978, the Pretenders absorbed some strong doses of success and a few serious jolts of fate. At times it might have seemed like a trade-off: two hit singles, *Stop Your Sobbing* and *Brass in Pocket*, and one Top Five album, *Pretenders*; two deaths: James Honeyman-Scott, the lead guitarist, whose body finally gave in to the cumulative destruction wrought by massive infusions of cocaine, and Pete Farndon, whose prolonged bouts with pharmaceutical excess seemed to accelerate in direct proportion to the band's increasing celebrity. "Because fame and success jumped on us so fast, we all had our own ways of dealing with it," Hynde says now. Other English bands of the period got mixed up between amateurism and honesty. The Pretenders, who had their chops down from the start and were proud of it, never made that particular mistake. They were much too busy, thanks, making most of the others.

From the start, this band had a sound that was both brash and melodic. The Pretenders burned through the pomp and pose that had crusted over the British punk movement by 1980. Other bands, similarly adept and not so heavily brushed by fate, disintegrated. The Pretenders, to everyone's astonishment, including their own, turned out to be survivors. There are two new members now: Lead Guitarist Robbie McIntosh and Bass Player Malcolm Foster. The two veterans, Hynde and Drummer Martin Chambers, have made a separate peace with the past by putting a stake in the future. Hynde has a 15-month-old baby; Chambers' wife is expecting her own in July. Not incidentally, the band also has a smashing new album called *Learning to Crawl* (No. 13 on the charts) that has no current rival for tough rock and straight talk. There is the present sellout U.S. concert tour from Honolulu to Radio City Mu-

sic Hall, ending May 6 in Buffalo. And there are, apparently, quite a few lessons that have been learned.

Learning to Crawl fixes on birth, innocence and endurance as subjects for its ten anthems of independence. All the songs but one were written by Hynde, 32, a woman who has no patience with sermons and no time for homilies. Besides the rueful and gritty *Back on the Chain Gang*, the album also includes a ravishing love song, *2000 Miles*; a corrosive paean



Chrissie Hynde and other Pretenders in formal array forcing a rapprochement with recklessness.

to suburban gentrification, *My City Was Gone*; a sharp bit of blue-collar feminism, *Watching the Clothes*; and, perhaps best of all, *Thumbelina*, one of the most hard-boiled lullabies ever written. Set to a kind of chugging Nashville beat, the song manages to combine love for the innocence of a young child ("shuffled about like a pawned wedding ring") and rage over a broken love affair into a song of bitter pride: "What's important in this life? Ask the man who's lost his wife."

Most rockers, male or female, play a coy game of footsie under the table with fate. Hynde stomps right on its toes. When she gets kicked back, she writes a song that is part taunt, part testament and part a perpetual reappraisal of the price paid for defiance. This keen balancing act between distance and immediacy is probably what

saved Hynde when the going got tough a few years back.

"Pete Farndon was strung out and couldn't admit he was a junkie," Hynde says, reflecting on her old colleague and former lover. Eventually, he had to be dismissed from the band, and Hynde last saw him at Honeyman-Scott's funeral. "He was terribly bitter and resentful. He felt like 'You fired me, but Jim's the one who died from drugs.' Ten months later," she adds, "Pete had drowned in the bathtub with a needle sticking out of his arm." No stranger to indulgence herself ("I used to take any kind of drug, whatever was going on, but I always kept it in check"), Hynde had begun to pull back by then. "I started drinking less, and I started to look less and less like a rock-'n'-roll personality," she explains. "I didn't want to be recognized."

By this time too, Hynde had met Ray Davies, the sardonic mainspring of the Kinks, and become pregnant. Daughter Natalie, currently on tour with her mother and a nimble au pair, also forced Hynde to "tame down. Suddenly, you can't imagine sitting down and smoking a pack of fags or drinking whisky. Being a mother's a real awakening." Hynde is still far from being the sort of model of civic rectitude that the folks back in her home town of Akron might approve. After a low-key, Midwestern small-town childhood, she took off for England, wild and a little desperate, at the age of 22, and plunged into the sort of bohemian life that, with suitable adjustments for advanced age and encroaching gentility, still obtains today. She and Davies live without benefit of paper or clergy in a London apartment, and Hynde still takes a showwoman's pride in turning on an audience. She is a current front runner in all those fan-mag polls about "sexiest woman in rock."

Survival can bring a kind of smugness, a moral certainty that there is an absolute code to obey and a single straight path to follow. Hynde's songs never carry a hint of this. She may have forced a kind of necessary rapprochement with her recklessness, but the fire still burns bright—perhaps against the night. She speaks intensely of Natalie, and of "a real feeling of humanity that I hadn't had before." But she also thinks often of a past that dwells persistently, inescapably in the present. "I think about death every day. Always. To me it's just reality. To not think about death is like living in your sleep." For the Pretenders, then, as for very few other bands today, music becomes quite literally a matter of life and death, a way, better than any other, of keeping wide awake. —By Jay Coocks

Reported by Denise Warren/Los Angeles

Sport

Chariots of Litigation

For some, the road to Los Angeles runs through the courts

Instead of a stop watch, it takes a law degree to keep up with would-be Olympians these days. Last week in Los Angeles, two federal judges addressed cases brought by athletes who claimed that they were not being allowed to compete in their specialties because of discrimination both sexual and professional. In each case the court declined to second-guess the various athletic regulatory bodies that establish and, ever so slowly, change the rules. But the two suits have raised fears among Olympic officials that even before the Games begin, never will a host country's courts have been asked to settle so many Olympic problems.

For now, the questions raised have revolved around eligibility, broadly defined: Who can enter what events? In the biggest case, 82 women runners from 21 countries, including U.S. World Record-Holder Mary Decker, were trying to have 5,000-meter and 10,000-meter races for women added to this year's schedule. Represented by the American Civil Liberties Union, they argued that the International Olympic

Committee "operates with a 19th century view of the place of women." Indeed, as late as 1952 there was an unsuccessful I.O.C. proposal to eliminate women's



Willie Gault, pro receiver . . .



. . . and amateur sprinter?

track and field completely. Although three women's track-and-field events have been added for Los Angeles, including a marathon, the total is 17, just over

two-thirds of the men's slate. Said A.C.L.U. Attorney Susan McGreivy: "The lack of parity is just outrageous."

Federal Judge David Kenyon acknowledged the frustration for a woman athlete "who, had she been a man, could compete in one or both of these events." But he did not think there was enough evidence that state and federal antidiscrimination laws had been violated. The women plan an immediate appeal, to the consternation of Los Angeles Olympic Organizing Committee President Peter Ueberroth, who supports the cause but not the tactics. Contending that the races can be added as late as the first week of July and are more likely to be installed via less confrontational channels, he said, "You shouldn't throw something that's working into the hands of the courts." The women, who have been negotiating with authorities for seven years, see time running out.

Time is also the concern for the Chicago Bears' million-dollar wide receiver Willie Gault, who lost the other Los Angeles case. Last summer at the World Championships in Helsinki, Gault helped the U.S. team set a four-man relay record and was an Olympic candidate in the 110-meter hurdles and 100-meter dash, until he signed with the National Football League last fall. The Athletic Congress, which runs track and field in

Budding Controversy

Perhaps the most tangled case of 1984 Olympic eligibility is that of a tiny teen-ager, 5-ft. 2-in., 82-lb. Zola Budd. The 17-year-old may be the fastest female middle-distance runner in the world, but she is having a tough time proving it officially. The reason: she is a white South African as well as a hastily minted British citizen. And that quick switch strikes some as too fast altogether.

The farm girl emerged, seemingly from nowhere, in a race near Cape Town last January. Striding barefoot, as she prefers, over the artificial Tartan, Budd ran the 5,000 meters in an amazing 15:01.83, shaving nearly 7 sec. from Mary Decker's world-record time. Although she runs with an unearthly determination—like "safari ants on the march," says her full-time coach, Pieter Labuschagne—her feat remains unofficial. The International Amateur Athletic Federation ousted South Africa in 1976 for its apartheid policies; the country is also banned from the Olympics.

Some South African athletes, white and black, have solved the dilemma by competing for other countries. Olympic Hopeful Sydney Maroe, for instance, will become a U.S. citizen next week; the Villanova track star married an American 3½ years ago. Budd took a different course. Her father Frank is the grandson of an Eng-

lishman, entitling her to British citizenship. As part of a secret deal struck by Frank Budd, Labuschagne and London's *Daily Mail*, the family was flown to England last month. For a reported \$300,000 trust fund and living expenses, the *Mail* has exclusive rights to Zola's story. "British blood runs in her veins," puffed one of its editorials.

Many debate the point. Noting that Budd got her citizenship papers in a matter of weeks while others have been waiting up to two years, the *Times* of London observed firmly that in England "queue jumping is frowned upon." There are other critics. After setting a British junior record against an undistinguished field last week, Budd was pressured to withdraw from a tune-up race last Saturday in Sussex because officials said they feared anti-apartheid demonstrators. Jane Furniss, England's No. 2 middle-distance runner, says of her new competitor: "When our flag goes up and they play the national anthem, would she feel she had won for Britain or South Africa?" Like those safari ants, Budd is pressing on. She has next to hurdle the I.O.C. eligibility rule requiring three years' residency. Exceptions have been made in the past, notes Sir Arthur Gold of the British Amateur Athletic Association, who



Zola running in England

will argue her case this week. Sir Arthur is not even sure he wants to win, however. Says he: "If the committee says yes, the Third World will attack us for trying to get in through the side door."

Education

Texas Eases Up on Evolution

The state's ruling on biology texts has national implications

the U.S., has stated that pro football is not of "direct help" to a track competitor and thus does not affect his amateur status in that sport. But the ruling world body, the International Amateur Athletic Federation, has disagreed. While the two organizations fiddled, Gault was worried that he would get burned. So he sued, alleging that his track career is being wrecked by "a conspiracy in restraint of interstate trade." World-record-holding Hurdler Renaldo Nehemiah, a wide receiver for the San Francisco 49ers, has also gone to federal court on the issue, making a somewhat different technical argument. But last month in New Jersey, he too lost. Both men will continue their legal fight, and intriguingly, both are contending that their Olympic exclusion is costing them hundreds of thousands of dollars they would be earning as amateurs.

That being so, the familiar question of amateur standing arises. The different sports' committees are often hairsplitting in their decisions. In Sarajevo, for instance, two Canadians who had signed with the National Hockey League were barred, while a Finn and an Austrian (who had played in the World Hockey Association) were not. The reason: a new compromise regulation involved only the N.H.L. Individual federations are charged with deciding status, guided by the I.O.C.'s overall rules. Among other things, athletes may earn money from their sport as long as the funds are in trusts arranged through the federations. The totals can be impressive. Gold Medal Skier Phil Mahre filed an affidavit for Gault stating that he had made more than \$1 million, all legally, in the last two years of his amateur career.

The late Olympic overlord Avery Brundage argued that the ancient Games were strictly amateur. But "the Greeks didn't even have a word for amateur," said Classics Professor David C. Young of the University of California at Santa Barbara. Indeed, Greek wrestlers competed as pros, and Olympic champions were awarded the equivalent of an artisan's wages for three years. Amateurism was a snooty Victorian conceit, instilled by the modern Games founder, Baron Pierre de Coubertin, to prevent working-class men from competing against the aristocracy.

Even without the pressure of the recent lawsuits, the Games seem slowly headed back to more of the openness of earlier times. Of the 21 sports scheduled in Los Angeles, five—track and field, cycling, soccer, basketball and boxing—have pending arguments about professional eligibility. But, said Willi Daume, head of the I.O.C.'s eligibility commission, "at this moment, the rules cannot allow an open Games." And Communist-bloc nations, whose athletes are all state-paid, have little reason to vote for a broader admissions policy. To athletes for whom 1988 would be too late, a lawyer may be more important than a coach in helping them to compete. —By **J.D. Reed**, reported by **Melissa Ludtke/Los Angeles**

When Texas talks, textbook publishers tend to listen. As one of the largest purchasers of school textbooks (\$65 million this year), the state has regularly exerted a strong influence on the content of books used by schools across the country. After the Texas board of education accommodated Fundamentalists in 1974 by requiring that evolution be taught as "only one of several explanations" of the origins of mankind, some publishers began to alter their texts to make them more widely acceptable. For instance, in the 1981 high school bio-

Interpreting the Texas decision as a triumph of Darwinists over creationists misses the main point. What the struggle shows is the important role that textbooks can play in the nationwide drive to restore educational excellence. The reversal comes at a time when Computer Magnate H. Ross Perot, as chairman of a committee on public education, is crusading to upgrade Texas schools. Holt, Rinehart & Winston's Robert Palmerton calls the decision "a plus for the state of Texas."

Some critics have charged that textbook adoption procedures like those in Texas have resulted in a general watering-down of the content of science texts, which in turn has contributed to a decline in student achievement in the sciences. According to Robert Yager, past president of the National Science Teachers Association, 90% of all science teachers use a textbook 90% of the time. Florida Governor Robert Graham, a leader in school reform, has observed, "States have upgraded requirements for graduation, raised teachers' salaries and enacted a variety of reforms. Parallel with these reforms must be a serious uplifting of the quality of textbooks." Most publishers maintain that big buyers, like Texas, do not influence their books. But analysts have noted that texts have been made less rigorous because teachers and students demanded easier books.

The textbook struggle in Texas has awakened other states to their potential power. California, North Carolina and Georgia are among the 22 other "adoption" states that make up a list of approved textbooks from which all state school districts choose, while New York and 27 other "open" states let each local district pick its own books. Obviously, the bigger the book order, the greater the clout. In March, Florida's Graham was host of a meeting in Tallahassee of publishers, legislators and educators from 22 states to talk about model schoolbook-selection procedures. Although the group could not agree on specifics, there was one strong message to the publishing industry: if standards are raised, the states will buy the books. California Superintendent of Public Instruction Bill Honig, an aggressive reformer, wants to form a textbook buyers' cooperative. Representatives of Florida and California, which together buy 13% of the nation's textbooks (in contrast with Texas' 6%), will hold a meeting later this month for interested educators. Says Honig: "If Texas can influence books that much on little matters, think how powerful we would be if we could all agree on criteria for textbooks." —By **Ellie McGrath/Reported by Gary Taylor/Houston, with other bureaus**



American Way Coordinator Michael Hudson

A new freedom from "religious dogma."

ogy book published by Laidlaw Bros., a division of Doubleday, the word evolution did not appear, even in the glossary or index.

In 1982 the People for the American Way, a liberal group that wages First Amendment campaigns, began pressuring the Texas board to rescind its 1974 rule. They were joined last month by a powerful ally: Texas State Attorney General Jim Mattox concluded that the rule was unconstitutional because it was motivated by "a concern for religious sensibilities rather than a dedication to scientific truth." Two weeks ago the Texas board of education repealed the controversial measure. Said American Way Coordinator Michael Hudson: "This is going to free publishers to write about science accurately, unhampered by religious dogma. It undoes ten years of creationist influence on textbook content, and it will spill over into every state."

Essay

Adieu to the Pneu

Sad news from Paris the other day: they have abolished the *carte pneumatique*, otherwise known as the *pneu*, an institution that dates back to the empire of Napoleon III. For those who did not spend some of their youth in Paris and therefore do not know about the *pneu*, it was a letter on gray paper that whizzed through a 269-mile network of pneumatic tubes and then was delivered by a mailman on a bicycle. Faster than an ordinary letter (it took about two hours) but cheaper (\$1.80) than a telegram, the *pneu* provided a valuable service at the moveable feast of the Left Bank, where very few hotel rooms had private telephones. By the *pneu*, you learned of a job found, a crisis solved, a date confirmed—or broken. "Can't make dinner tonight. How about Wednesday?" That kind of thing.

According to the French postal ministry, the *pneu* was obsolete and unprofitable, handling fewer than 605,000 messages in 1983, compared with 2.7 million a decade ago. The fact is that the ministry had actually stopped installing pneumatic tubes in all new post offices some time ago, thus converting the system into a sort of hybrid messenger service. The technique is easily recognized: first let the system deteriorate, then announce that usage is declining, so service must be curtailed and/or prices must go up. It sounds just like the New York City subway. The French postal ministry now offers "postexpress," which guarantees same-day service for two or three times the price of a *pneu*. Soon people will forget that the *pneu* ever existed.

In London, just after World War II, the older generation complained that the entire postal system was going to perdition. There were only three deliveries a day in these straitened times. Why, before the war, there had been five. One oldtimer recalled that Edward FitzGerald, the translator of *The Rubaiyat* of Omar Khayyam, regularly wrote to London friends from his home near Lowestoft, 116 miles away, and counted on his letters being delivered before evening the same day. They had decent railroad service too in those days, by God.

What doomed the *pneu* and the postal service, of course, was the telephone. Alexander Graham Bell's new invention seemed so much faster, and consequently so much better. This was before the busy signal was invented, or statements like "He's in conference right now. May I have him call you back?"

There are people today who express wonder that figures like Thomas Jefferson and John Adams wrote a good number of personal letters every day (and made copies too) and still found time to run the country. Or even that Harry Truman regularly wrote to his wife. There are people today who receive a wedding invitation and answer with a telephone call, or forget to answer at all. There are people today who are psychologically unable to write a letter to anybody on any subject. Meanwhile, the postal system has silted up with all the debris of computerized commerce: catalogs from Wisconsin cheesemakers, offers of stock tips, pleas for charitable donations.

It is not antiquarian nostalgia to argue that a letter is much the best way to communicate anything more serious than a grocery order. For one thing, it enables the writer to devote a little thought to what to say and how to say it, rather than babbling the first words that come to mind. For another, it enables him to reread what has been said to him, to make corrections in his own answer, or to throw it away and start again. And finally, it pro-

vides him a copy of what was agreed or not agreed a month earlier. All the telephoner has is his illegally recorded tape, most of which consists of "you know" and "uh" and "right?" (remember Nixon in conference?).

Now that a whole generation has become addicted to the telephone, using it for everything from courtship to Dial-a-Prayer, a new phenomenon is occurring: the indispensable telephone system is beginning to fail us. The failure seems to have started when the A T & T monopoly was broken apart at the start of this year, or maybe it has just got worse since then. Have you noticed how much longer it takes between the time you finish dialing and the time the first ring comes? Or how often you dial and there's no ring at all? Or you get a busy signal when you know the line isn't busy? Or that the phones themselves, which never used to break down, now break down? And nobody will fix them, unless you dismantle them and send them—by mail!—to some repair shop in West Nowhere. And the prices keep going up: 25¢ or even 30¢, soon, for a local call from a booth.

Perhaps the problems are temporary, as the various companies claim. Perhaps not. "The Roman Empire never actually fell," one wise woman has said. "The falling was just an endless series of announcements, like 'The messenger service doesn't stop here on Saturday any more.'" The only thing needed to make the decay of the telephone service even more exasperating is the same pollution that afflicts the Postal Service, not junk mail but phone calls from computers that summon you out of the bathtub to hear their spels for more life insurance. The Internal Revenue Service has even acquired computers that will telephone an alleged delinquent all day long until he answers.

One of the interesting paradoxes of the new technologies, though, is that in making present systems obsolete, they tend to revitalize still older systems. In some ways, the computer revolution seems to be partially reversing the Industrial Revolution, and perhaps restoring some of the relationships that existed earlier. Generally speaking, the Industrial Revolution demanded standardization; the computer permits customization, individualization, everything "handmade" by machine. The Industrial Revolution demanded concentration, from the country into the city, from the city into the factory; the computer permits dispersion, work done at home. These are the still unrealized implications of the term electronic village.

As a generation that communicates by telephone gives way to a generation that communicates by computer, one of the oddities is that the computer communicates in writing. It can be made to talk, in a disembodied sort of way, but it does better at producing written messages. Computer enthusiasts like to call this "electronic mail," which sounds very up-to-date, unlike what they call "snail mail," all those catalogues piled up at the post office. But the principle is the same as that of the *pneu*: a short written message that can be both quick and permanent. One sees nowadays of men and women making friends and even courting by electronic mail; one reads too of business executives who were trained to sell and deal by phone now being retrained in the long-unused art of writing. The computer demands it.

Reinventing the wheel is a phrase applied scornfully to the rediscovery of the obvious. When the obvious is half-forgotten, it is well worth reinventing.

—By Otto Friedrich



PHOTO TOPICS BY THE BUREAU OF ENLIGHTENMENT

This is the new Buick Electra.

GARMISCH-PARTENKIRCHEN, Bavaria—In the quiet, scenic villages of the German Alps, the townspeople are not easily excited by an automobile. Here, in Germany, automotive excellence is expected, rather than marveled at.

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So we totally re-engineered Electra. We made it trimmer and lighter. We gave it a new computer-controlled engine. Sophisticated multi-port fuel injection system. Front-wheel drive. Rack-and-pinion steering. And fully independent rear suspension. To make it a real pleasure to drive.

And driven it was. Up the steep grades and around the sharp switchbacks of the Alps. Down the no-speed-limit Autobahn and through the sustained 108° F temperatures of

the Australian Outback, as well as the sub-zero cold of Kapuskasing, Canada. In short, we subjected Electra to some of the world's most demanding environments. Because we wanted it to be ready for the toughest test of all: yours.

Buick Electra has always been a sumptuous, comfortable-riding automobile, with careful attention to detail. It is still such an automobile. Electra's interior dimensions are within an inch or so of its predecessor, so it can still transport six in luxury and comfort. Especially on long trips.

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And it is produced in one of the world's most advanced assembly plants. For example, every Electra gets two coats of clear enamel on top of the regular finish.

Now that you've read about our own vigorous Electra testing, buckle up and put the Electra to your own thorough road test. You absolutely must drive it to fully appreciate it. The new Electra awaits you at your Buick dealer.

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